



SECURING YOUR HAPPINESS IS THE KEY TO OUR GROWTH

ANNUAL REPORT 2013-14



Universal Sompo
General Insurance Co. Ltd.
Suraksha, Hamesha Aapke Saath

A joint venture of Allahabad Bank ★ Indian Overseas Bank ★ Karnataka Bank Ltd. ★ Dabur Investment Corp. ★ Sompo Japan Insurance Inc.



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Universal Sompo General Insurance Co. Ltd.

VISION STATEMENT

To emerge as a market leader in our chosen domain by winning customer confidence through superior value and continually enhancing the same.

OUR MISSION

To provide

- Superior Value for our customers
- Stable returns for our shareholders
- Stimulating work environment for our employees
- Safety consciousness for the society

WE SHALL STRIVE

- To be compliance oriented
- To ensure prompt action/ feedback on Customer Grievance
- To monitor and enhance service levels constantly



Universal Sompo General Insurance Co. Ltd.

BOARD OF DIRECTORS

EXECUTIVE CHAIRMAN

Mr. O. N. Singh

MANAGING DIRECTOR

Mr. Taketoshi Nagaoka (w.e.f 02.04.2014)

NON EXECUTIVE DIRECTORS

Mr. M Narendra	Mr. B. Ramani (upto 24.06.2014)
Mr. Mohit Burman	Mr. Rakesh Sethi (w.e.f 02.04.2014)
Mr. Shiro Sato (w.e.f 05.04.2014)	Mr. Ananthakrishna
Mr. Tsuyoshi Seto (upto 15.10.2013)	Mr. Koji Shikada (w.e.f 15.10.2013)
Mr. Ravinder Kumar Kaul	Mr. C. R. Muralidharan
Dr. Hira Sadhak	Mr. Toshiyuki Hanazawa (upto 25.04.2013)
Mr. Shigeru Ehara (upto 05.04.2014)	Smt S. A. Panse (upto 02.04.2014)

AUDIT COMMITTEE

Mr. C. R. Muralidharan (Chairman)	Mr. Ananthakrishna
Mr. B. Ramani (upto 24.06.2014)	Dr. Hira Sadhak
Mr. Mohit Burman	Mr. Shiro Sato

KEY PERSONNEL

Mr. O. N. Singh - Executive Chairman	Mr. Taketoshi Nagaoka - Managing Director (w.e.f 02.04.2014)
Mr. Gulshan Vohra, Head HR	Mr. S. K. Rawat, CMO
Mr. Rajiv Kumar, Head Operations & Corporate Planning	Mr. N.C. Marwah, Head Commercial UW
Mr. Sarvesh Agrawal, CFO	Mr. Amitoj Singh, Head Health
Mr. Ashwani Gaba, Head Claims	Mr. Sachin Shah, Head IAD
Mr. Indraneel Basu, Chief Investment Officer	Ms. Shilpa Mantri, Company Secretary
Mr. Virendra Kumar Ghotia, Head Admin, Publicity	Mr. Ranjan Sinha, Chief Compliance Officer
Mr. Ravindra Deshpande, Head IT	Mr. Satya Pal Pawar, Head Reinsurance
Mr. Arun Singh Bhaduria, Head Motor	Ms. Ruchi Goel, Head Actuary

STATUTORY AUDITORS

M/s. Rajendra K. Goel & Co. Chartered Accountants	M/s. Ramesh C. Agrawal & Co. Chartered Accountants
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ACTUARY

Mr. P. C. Gupta (upto 30.06.2014)



DIRECTORS' REPORT

To the Members of
UNIVERSAL SOMPO GENERAL INSURANCE CO. LTD.

We are pleased to present on behalf of the Board of Directors the Directors' Report together with the Audited Statements of Accounts for the year ended March 31, 2014.

ECONOMIC SCENARIO:

The Union Budget for FY 2014-15 left the fiscal deficit target unchanged at 4.1% of GDP. Market expectations for major reforms were largely met in areas such as the stable tax regime, rationalisation of subsidies, liberalisation of foreign direct investments and the speedy implementation of the Goods and Services Tax by the end of FY 2014-15. However, the assumption of 20% growth in gross tax receipts (INR 13.64 tn) remains too optimistic considering that GDP growth is likely to remain subdued at 5.4-5.9% for FY 2014-15. The Hon'ble Finance Minister also announced 49% composite cap of foreign holding in defence and insurance sectors and eased norms for FDI in real estate.

The Insurance industry in India has undergone transformational changes over the last 12 years. Liberalization has led to the entry of the largest insurance Companies in the world, who have taken a strategic view on India being one of the top priority emerging markets. The industry has witnessed phases of rapid growth along with spans of growth moderation, intensifying competition with both life and general insurance segments, and significant expansion of the customer base. There have also been number of product innovations and operational innovations necessitated by increased competition among the players.

Consumer awareness and protection has been a prominent part of the regulatory agenda. Regulatory developments in the recent years show the focus on increasing flexibility in competitive strategies such as niche focus, merger and acquisitions and on removing structural anomalies in the products and operations. While these initiatives would enable long term industry growth, the role of the regulator in providing an enabling environment to achieve profitable growth in the near to medium term is very crucial.

Overall, while the industry achieved significant growth over the past 5 years, the profitability of industry deteriorated sharply. A multitude of factors adversely impacted the industry profitability over the last five years:

- Price detariffication provided freedom to general insurance companies to decide the premium rates in most of the product segments
- Between FY06 and FY12, 10 new companies have entered the general insurance business. Intensifying competition and focus on growth by the new entrants led to competitive pricing pressure
- Focus on growth by the insurers across the industry led to higher bargaining power of the intermediaries and limited control on the claims cost
- Limited or no increase in the TP premium rates for a number of years coupled with issues pertaining to third party liability caps as under The Motor Vehicles Act, led to extraordinarily high claims ratio in the segment which impacted the overall profitability and solvency requirements for the general insurance Companies.

In the last few years, growth was the primary agenda across competition segments including public sector, old private sector and new private sector general insurance players. Changes in the external environment would continue to present growth opportunities and insurance Companies would be better equipped to exploit them based on market insights and internal capabilities developed over the period of time. In order to deliver on the shareholders' expectations, the Companies will be driven to strike a balance between growth, profitability and risk as they go forward. This would entail marked changes in the business strategy and the same would be cascaded to operational decisions related to product design, pricing, channel monitoring, and operational effectiveness. Companies with a one-dimensional focus on growth or on profitability would lose competitive power either due to strain on capital or due to insignificance of the scale. Either way, this would support the emerging trend of overall profitable growth for the industry.

INDUSTRY DEVELOPMENTS:

With reference to the general Insurance industry, the gross written premium of general insurers rose by 12.26 % in FY 2013-14, as compared to the previous financial year. According to data collected by insurers, industry collected the gross written



premium of Rs. 79,933.98 crores in FY 2013-14 as compared to Rs. 71,203.43 crores in the previous financial year.

The GDP of your Company in FY 2013-14 is Rs. 540.45 crores.

Overall outlook for global as well as Indian economy continues to remain subdued till the end of fourth Quarter of FY 2013-14 and have also impacted growth of general insurance business in India.

The moderation in general insurance growth rate is primarily due to significant moderation in motor premium which have been hampered due to poor vehicle sales growth in FY 2013-14. Domestic private car sales increased meagrely by 1.40% in February 2014 after four months of declining growth (As per Society of Indian Automobile Manufacturers). Overall slowdown in car sales in the country as Motor Business constitutes 43% of the total business of the industry.

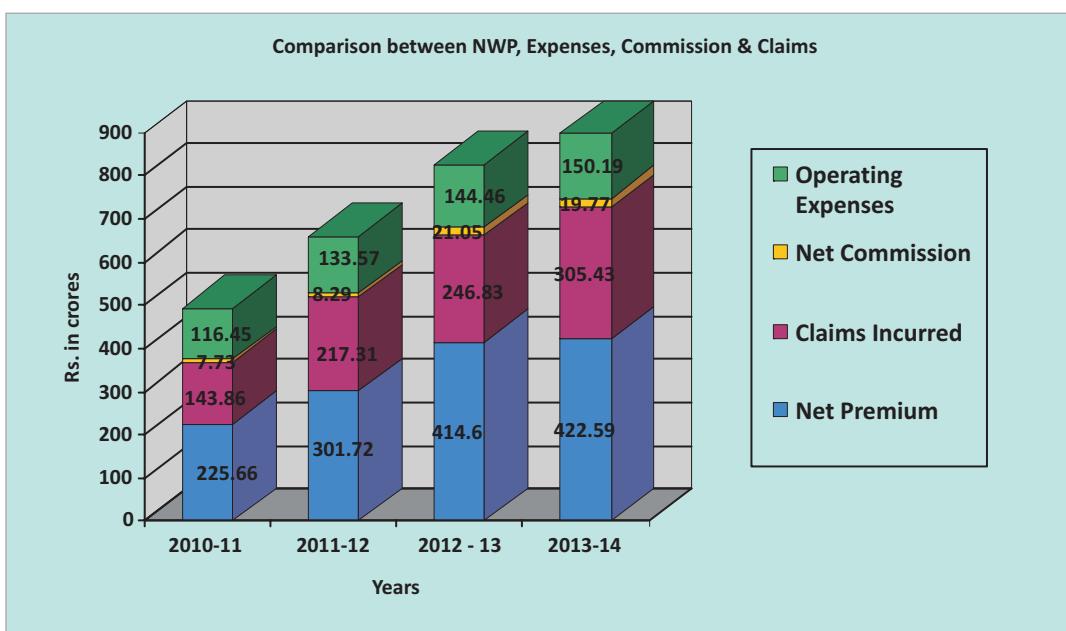
Subdued industrial and economic growth has hampered new business from segments such as fire, liability etc.

No. of Insurers:

The total number of general insurers companies operating in India and registered with IRDA is 28.

FINANCIAL HIGHLIGHTS OF THE COMPANY - 2013-14:

Particulars	FY 2013-14 (Amt in millions)	FY 2012-13 (Amt in millions)
Gross Written Premium (including Reinsurance Inward Premium)	5,472.0	5,439.4
Reinsurance Ceded	1,246.1	1,293.4
Net Written Premium	4,225.9	4,146.0
Unexpired Risk Reserve	106.5	732.9
Net Earned Premium	4,119.4	3,413.1
Net Claims	3,054.3	2,468.3
Net Commission	197.7	210.5
Operating Expenses	1,501.9	1,441.6
Underwriting Result	(634.5)	(707.2)
Investment Income - Policy holders	543.0	413.6
Operating Profit	(91.5)	(293.6)
Investment Income - Share holders	195.9	196.8
Other (Income) / Expenses	1.9	3.0
Profit Before Tax	102.5	(99.8)
Tax Provision	6.0	(33.2)
Profit After Tax	96.5	(66.6)



BUSINESS OPERATIONS:

Your Company has achieved GDP of Rs. 540.45 Crs as on 31st March 2014 as against Rs. 534.34 Crs as on 31st March 2013

Premium in Rs. Cr	2013-14	2012-13	% Growth
Bancassurance	280.87	245.42	14.45%
Corporate/ Broker/Japanese	105.00	74.02	41.85%
Retail	154.58	214.90	-28.07%
Total	540.45	534.34	1.14%

MARKETING UPDATES:

Motor Vertical:

Your Company has monitored the Motor Business portfolio and skillfully strategized Motor Business in the Financial Year 2013-14. The key strategies were to develop the motor business through the retail multiline agents and the cross selling of Motor Policies to the customers of the Banks.

After successful implementation of Honda Tie up, your Company has tied up with Nissan Motors and developing relationship with the dealers of Nissan across the India, in order to develop Private Car business through them.

You Company has strategized the development of Agency channel, which is the largest channel in India, in structured manner to increase the reach amongst the customers.

Bancassurance :

Your Company has now established tie ups with 16 banks. Another breakthrough in this fiscal was entry into Odisha Gramya Bank, with a primary focus of rural insurance products.

Your Company has also been empanelled by the Ministry of Agriculture, Government of India for crop insurance products namely MNAIS (Modified National Agricultural Insurance Scheme) and WBCIS (Weather Based Crop Insurance Scheme). Your Company intends to enter the crop insurance market in a smaller way in FY 14 - 15 Kharif & Rabi seasons.

Your Company has through partner bank channel partners promoted a micro insurance product-Saral Suraksha. This unique health product was very well received in rural markets as well and helped your Company to achieve the rural and social sector business stipulations set by IRDA. Your Company has covered 3,75,500 farmers through micro insurance products

OFFICE UPDATES:

Based on the realistic inputs provided by corporate planning, for feasibility and viability for opening branches so as to optimize



resource allocation 2013-14. Your Company opened 8 new branches in the financial year 2013 - 14 in a bid to increase penetration of insurance in rural and semi urban areas and to complement the financial services reach provided by partner banks branches. As on 31st March, 2014 the total number of branches are 94.

CORPORATE PLANNING:

Corporate Planning has delivered valid planning content in coordination with other responsible department and in line with management vision for better performance of the organization. For the purpose of the corporate planning, department has presented comprehensive business plans by efficiently exploiting external market data and operational data base of the Company for strategic business planning. For effective business strategies and governance, your Company ensures updated and qualitative business reports and an accurate, vigorous MIS so as to promptly perceive any business inefficiencies or opportunities and to ensure on maintained efficient growth for the Company.

There has been constant monitoring and review of overall general insurance industry as well as your Company's business done in financial year 2013-14. Your Company does regular analytical assessment for industry as well as peer group business performances tracking all major key ratios beside their overall business performance. The department also monitors and keeps track of prevalent domestic and international economic environment and their relevance in industry and business growth.

A consistent business scrutiny has turned effective in FY 2013-14 by defocusing Goods carrying vehicle /Passenger carrying vehicle for motor group and helped Company to protect bottom-line.

Your Company has skillfully strategized business from BANCA channel, to optimize business returns in financial year 2013-14 by focusing following key strategies:

- By reducing business from GCV/PCV business, focus was given more on profit, instead of growth, for longer sustainability and maintaining minimum mandatory solvency margin at 1:50.
- To procure more business from BANCA channel thrust has been given on SME finances and related products like Saral suraksha and Loan secure. Strategically focusing BANCA business has increased business contribution from the channel to more than 50% in FY 2013-14.
- With the launch of separate health vertical in 2013-14, focus on individual/corporate health has been strategized for improving Net written premium and for overall business growth.
- Thrust to procure more business from Corporate and from motor dealer tie-ups.
- Overall productivity of channels have been consistently monitored and analyzed on regular basis for optimal resource allocation and to ensure overall profitability.

Your Company proposes to focus on renewals, new business tie ups and optimal utilization of other core strengths in 2014-15, by implementing the business plan with the detailed road map and strategies to ensure long and sustainable overall business growth.

RURAL & SOCIAL SECTOR OBLIGATIONS:

The Company has complied with the obligations as per IRDA (Obligations of Insurers to Rural & Social Sectors) Regulations, 2002 and the amendments from time to time. The sector-wise details of business for the year ended 31st March 2014 is given below:

Business Sector	For the year ended March 31, 2014				For the year ended March 31, 2013			
	GWP (Rs. In '000s)	No. of Policies	No. of Lives	% of GWP	GWP (Rs. In '000s)	No. of Policies	No. of Lives	% of GWP
Rural	279,737	81,564	-	5.18%	277,224	82,659	-	5.19%
Urban	5,123,898	806,323	-	94.81%	5,040,375	836,464	-	94.33%
Social	838	927	2,393,010	0.02%	25,877	4,801	2,516,107	0.48%
Total	5,404,470	888,814	2,393,010	100.00%	5,343,476	923,924	2,516,107	100.00%



POLICY PROCESSING CENTRE - OPERATIONS:

Your Company has a centralized policy processing centre. The Centre maintained its high efficiency at 100% policy issuance during 2013-14 by adopting standardized measures for policy processing & issuance pan India basis. The Company has issued 8,88,814 policies in financial year 2013-14 compared to 9,23,924 policies in financial year 2012-13 registering a decrease in policy documentation by 3.80%. Out of total policies 65.6% have been issued to BANCA partners of the Company. Your Company has also enhanced processes to facilitate on line proposals of all motor, travel and health insurance policies to save time and transaction cost from 2012-13.

In FY 2013-14 your Company would be focusing on developing online systems for quote generation and claim registration from anywhere in the world. With new system policy document could be emailed to the customers instantaneously thus preventing any issues of delivery delays.

Description	Allahabad Bank	Indian Overseas bank	Karnataka Bank Ltd.	Other Business Channels of USGI	Total
Policies Received	246,613	239,123	93,177	309,901	888,814
Policies Issued	246,613	239,123	93,177	309,901	888,814
Pending as on 31.03.2014	-	-	-	-	-
Documents Issuance Ratio - %	100%	100%	100%	100%	100%

CALL CENTRE OPERATIONS:

Customer centric and holistic approach in processes and procedures are required to ensure complete customer satisfaction. Speedy and effective redressal of customers grievances and concerns is the need of the hour to ensure loyalty and for building a long last relationship. Customers are well informed and seek to understand their options better. Your Company's efficient customer service ensures that all queries, requests, claim intimations, policy endorsement request complaints and grievances including escalations to IRDA are responded to ensure that clients grievances are converted from brickbats to bouquets.

Your Company has proactively integrated on line portals with IRDA as per Integrated Grievance Management System (IGMS) along with Company's own consumer redressal readdressed system linked to mail and teleservices. The Company has initiated systematic recalling (via telephone) for renewals for servicing current client base.

Summary of IRDA and Complaints Received at USGIC for the FY 2013-14							Status on Complaints in IGMS		
Complaint Type	Reported	Resolved	New	Pending	Re open	Acknow-ledged	Status	No of Complaints	Percent
IRDA	147	147	-	-	-	-	Closed	376	72.45%
Other	372	372	-	-	-	-	Attended To	143	27.55%
Total	519	519	-	-	-	-	Total	519	100.00%

From financial year 2012-13, the Company started SMS facility to intimate clients soon after issuance of their policy to convey to them the status of policy issuance and delivery; from FY 2013-14 the Company has also started the facility of SMS Reminders for Renewals of existing policies. Your Company's Turnaround time (TAT) in attending and resolving the complaints of the customers as compared to industry TAT has been significantly ahead during 2013-14. IRDA TAT guideline for attending and resolving the complaints is for 15 days, whereas at USGI, nearly 98% complaints were attended and solved within 7 days.

TAT	Total	Resolution %
1-7 days	507	97.69%
8-14 days	11	2.12%
15-21 days	0	0.00%
> 21 days	1	0.19%
Grand Total	519	100.00%



PRODUCT DEVELOPMENT:

Your Company introduced 26 more products during FY 2013-14 (9 new products and 17 re-filed products) in order to cater to the special insurance needs of various customer segments. 5 new products includes: marine Hull Insurance, 4 health products, 1 Motor product with 5 bifurcations, 1 product each of whether insurance, Travel Insurance and liability insurance. The Company has also received approval of revision of flagship miscellaneous products i.e. Money Insurance and Office Package Insurance Policy from the Authority. This takes the total number of products offered by the Company to 87 as on date.

The Company is also awaiting approval of 4 new products from the Authority including the niche product such as Swarn gramin Bima Yojana (Individual & Group), Health Financial help & Surva Vidyarthi.

Taking forward the objectives of providing a wide variety, in its bouquet of products your Company proposes to file at least 8 new health products with the Authority (in keeping with the Company's thrust to penetrate deeper into the Health Insurance Market). During, this Financial Year, the Company also proposes to file revision of products like Directors and Officers Liability Insurance and Road Side Assistance (Motor Add-on) with a view to fall in line with the market requirements.

UNDERWRITING OPERATIONS:

• COMMERCIAL UNDERWRITING:

The year saw further deterioration in respect of Property Premium Rates. In spite of introducing the minimum CAT Peril Rates, the premium rates have not seen any improvement. The discounting on FLEXA rates have gone up to 100%, thus the whole industry is charging only CAT Rates only. However, your Company has been in a position to balance the property/ Rates because of the in house business getting from our Banca Partners.

IAR policies, being loss making, your Company decided to accept such risks, which are referred by our Banca Channel. Also, it was decided to accept IAR policies in case the risk belongs to Japanese Clients. IAR policies sourced from other channels are now being discouraged.

Due to lack of infrastructure investment, the Engineering line of business did not see much of the premium flowing to USGIC.

• HEALTH UNDERWRITING:

The year saw the launch of new Health regulations by the Authority. Where in IRDA visualising the scope of growth in this segment tried to bring out certain standards in operations , underwriting and product filing . IRDA has also created a dedicated health vertical within their own function. We would like to confirm that your Company is in full compliance with the regulations laid down, all our products have been updated as per new regulations and have been approved by IRDA . Your Company is in process of creating our own inhouse claims processing department which was earlier outsourced to the TPAs .

During the year your Company keeping the pace with the market practices have availed 5 new products for Health Insurance which brings us at par with the competitors and standalone health insurers.

Keeping USGIC vision , Your Company has a balanced portfolio between group and retail 55%and 45% respectively.

• MOTOR UNDERWRITING:

After dismantling of Motor Third Party Pool the Commercial Vehicle - Goods Carrying Vehicle and Passenger Carrying vehicle were the area of defocus. Your Company has strategized the business module based on the usage of the vehicle, make and model, carrying capacity and the geographies to where the claim experience is better in order to align with the companies' strategies and Plan. Focus of your Company is on the institutional commercial vehicles - Goods Carrying and Passenger Carrying vehicles and the vehicle plying in the limited area having low exposure for Third Part Losses.

The buses of Educational institutes and corporates being used for carrying the students and employees of the Company is major area of focus for garnering the business through channel partner banks and on direct basis.

Your Company strategically worked out to book the business of Standalone Third party Insurance of Goods Carrying and Passenger Carrying business and written sufficient amount of business of Standalone Third Party so as to complete the



estimated quota for the Company which is based on the Total Industry GWP and share of Motor GWP to the industry Motor Business.

REINSURANCE:

The Reinsurance Arrangement for 2014-15 for our Company is based on the outcome of the detailed analysis of the Business Plan with specific reference to product mix, estimated risk accumulation and exposure. The Reinsurance Arrangement is aimed at achieving adequate protection to support the business plan by optimizing on capacity requirements and arranging adequate protections for both Risk and Catastrophic exposures in a cost efficient manner.

Although the Reinsurance markets were a bit soft this year, due to various improved combined ratios of reinsurance Companies, generally reinsurers appeared to be less interested in proportional treaties particularly property and engineering; the reason most probably is the heavy discounting in premium rates otherwise the value position of property reinsurance remains strong globally and insurers and reinsurers are well positioned to improve their relationship.

Like previous years GIC Re, having decreased its share still remains the leader on various treaties. This year also Sompo Japan has continued its participation in the treaties adding strength to the strong panel of reinsurers.

CLAIMS:

Our continuous and consistent efforts as well as proactive approach in settling faster settlement of claims is yielding positive results. In the year 2013-14, 91 % of claims were settled within 3 months, up by 2% against 89 % in the year 2012-13. This Settlement TAT is the second best among our peer group in General insurance industry. Claim settlement ratio also improved from 91 % in 2012-13 to 93 % in 2013-14.

During the year 2013-14 , We created a strong PAN India network of 129 Universal Sompo Preferred (USP) Motor Garages where apart from cashless service on negotiated rates, our customers avail additional benefits from these tied up workshops. This will result in better customer satisfaction as well as lower claims outgo for the Company.

For further improving operational efficiency, we are in process of setting up in-house health claim Management system. This will improve not only Turnaround time (TAT) for claims settlement but also result in lower claims outgo by way improved and more efficient claims management.

INVESTMENT OPERATIONS:

The total investment assets as on 31st March 2014 were amounting to Rs 889.60 crores (at amortised cost), as against Rs 777.18 crores as on 31st March 2013. The total investment income for FY 2013-14 stood at Rs 73.84 crores, as against Rs 61.04 crores in FY 2012-13.

Your Company has improved on the yield in bonds portfolio, while reducing the overall duration so that the portfolio is less volatile.

- The portfolio duration (Macaulay) was reduced to 2.85 as of 31st March 2014, as against 2.88 as of 31st March 2013.
- The yield on the investment portfolio was 8.74% for FY 2013-14 as against 9.02% for FY 2012-13. Due to adverse market conditions, we had booked net loss of about Rs 1.23 crores in equities, while in the pure debt portfolio we had earned an yield of 9.02% in FY 2013-14.

However, we are confident that the stocks in our revamped portfolio would see significant upward movement as the market is very bullish on the new government expediting economy growth and inflation control. To be cautious, we have limited our equity market exposure till we have booked significant profits in FY 2014-15. Out of the total investment portfolio as at the end of March 2014, only about 1.5% was invested in equity.

Going forward, three key factors - management of fiscal and current account deficits, inflation control and stability of USD vs INR will be crucial for the future interest rate scenario and consequent market behaviour. After outperforming the last financial year's targeted investment income and with both debt and equity markets showing bullish trend, we expect to perform significantly better in generating higher capital gains to supplement our strong flow of interest income.



HUMAN RESOURCES:

The employee strength at the end of the financial year 31st March, 2014 was 776 employees as against 747 employees at the end of the financial year 31st March 2013.

SHAREHOLDERS' FUNDS:

There was no change in the share capital of your Company during the financial year 2013-14. The paid up share capital of your Company stood at Rs. 350 crore as at 31st March 2014.

PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

Since your Company did not carry out any manufacturing activity, the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 are not applicable.

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:

Earnings/Outgo	For 2013-14 (Amt. in Thousands)	For 2012-13 (Amt. in Thousands)
Earnings in foreign exchange	738,023	105
Outgo in foreign currency	140,070	68,761

PARTICULARS OF EMPLOYEES:

The Company does not fall within the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employee) Rules, 1975 as amended up to date as no employee remuneration reached the limits mentioned therein.

IRDA REGISTRATION:

The Certificate of Registration of your Company has been renewed by IRDA for 2014-15.

BOARD OF DIRECTORS:

There were 5 Board Meetings held during the year viz. 25/04/2013, 05/06/2013, 26/09/2013, 27/11/2013 & 05/02/2014.

Statement showing the name of Board of Directors and their Attendance as on 31st March, 2014:-

Sr. No	Name of Directors	Designation	Qualification	Area of specialization	No. of Meetings
1	Mr. O N Singh	Executive Chairman	B. Com (Hons); L.L.B; Chartered Accountant/ F.C.A	Former CMD Allahabad Bank	5
2	Mr. M Narendra	Non Executive Director	B. Com; B L.; CAIIB	CMD Indian Overseas Bank	4
3	Mr. Ananthakrishna	Non Executive Director	B. Sc Post-Graduation Mathematics	Chairman of Karnataka Bank Ltd.	4
4	Mr. Mohit Burman	Non Executive Director	B.A(Business Administration)- Economics; MA; MBA(Finance)	Director of Aviva Life Insurance Co. India Ltd. and Partner of Dabur Investment Corporation	3
5	Mr. Takashi Ebihara	Managing Director	Graduated Keio University (Majoring Law), March 1987	25 years of rich experience as insurance professional	5
6	Mr. B. Ramani	Non Executive Director	B.Com; F.C.A	Practicing Chartered Accountant	3
7	Mr. Tsuyoshi Seto*	Non Executive Director	Bachelor of Psychology, University of Tokyo	Insurance professional with Sompo Japan Insurance Inc.	3
8	Ms. Shubhalaxmi Aamod Panse	Non Executive Director	M. Sc. D.B.M, M.M.S., M.B.A. (Drexel University, USA), C.A.I.I.B	Chairman and Managing Director, Allahabad Bank	2



Sr. No	Name of Directors	Designation	Qualification	Area of specialization	No. of Meetings
9	Mr. Ravinder Kumar Kaul	Nominee Director	Phd. Zoology, University of Kashmir	Associate of Insurance Institute of India (AIII)	4
10	Mr. C. R. Muralidharan	Independent Director	Bachelor of Science, Madras University 1967 with Certified Associate of Indian Institute of Bank	Joined IRDA in May 2005 as a whole-time member & prior he worked in RBI for more than three decades	5
11	Dr. Hira Sadhak	Independent Director	MA (Economics), Ph D, DORM	30 years of experience in Financial Services Industry including Pension Funds, Mutual Funds, Life Insurance and Banking	1
12	Ms. Geeta P Shetti	Alternate Director to Mr. M. Narendra	Msc, CAIIB, CFM, CRB, D. Sys Analysis, DTIRM	More than three decades of experience in different facets of commercial banking.	1
13	Mr. T. R Chawla	Alternate Director to Ms. Shubhalaxmi Aamod	MBA, LLB, DPM, CAIIB	Holds 34 years of rich banking experience	1
14	Mr. Toshiyuki Hanazawa#	Non Executive Director	Waseda University (B. A. Law)	Is the nominee Director of Sompo Japan Insurance Inc. & Managing Executive Officer of Sompo Japan Insurance Inc	-
15	Mr. Taketoshi Nagaoka***	Alternate Director to T Hanazawa	International Christian University in March 1989	Insurance professional with Sompo Japan Insurance Inc.	-
16	Mr. A K Jain	Alternate Director to Mr. Mohit Burman	CA, CS, LLB	Expertise in Finance & Legal Matters	1
17	Mr. Koji Shikada**	Additional Director	Kyushu University, Faculty of Economics in Mar.1985	Deputy General Manager, Global Business Planning Dept. Sompo Japan Insurance Inc	2
18	Mr. Shigeru Ehara	Nominee Director	Waseda University (Bachelor of Economics)	Executive Officer , General Manager Commercial Risk Solutions Department	-
19	Mr. Chikayoshi Kono	Alternate Director to Mr. Shigeru Ehara	Graduated from Waseda University (Bachelor of Economics)	Manager Global Business Planning Department	4

*Resigned on 15/10/2013 , #Resigned on 25/04/2013, *** Resigned on 25/04/2013 and appointed as MD on 02/04/2014,

**Appointed on 15/10/2013.

ATTENDANCE AT THE MANDATORY COMMITTEES OF THE BOARD OF DIRECTORS:

Sr. No	Name of Director	Audit Committee(AC) Meeting Attended	Investment Committee (IC) Meeting Attended	Policy protection Committee (PPC) Meeting Attended	Risk Management Committee (RMC) Meeting Attended
1.	Mr. O. N. Singh	Not Member	4	4	4
2.	Mr. Ananthakrishna	3	3	3	3
3.	Mr. B Ramani	2	Not Member	Not Member	Not Member
4.	Mr. Mohit Burman	2	Not Member	Not Member	Not Member
5.	Mr. Takashi Ebihara	Not Member	4	4	4



Sr. No	Name of Director	Audit Committee(AC) Meeting Attended	Investment Committee (IC) Meeting Attended	Policy protection Committee (PPC) Meeting Attended	Risk Management Committee (RMC) Meeting Attended
6.	Mr. Toshiyuki Hanazawa#	-	-	Not Member	Not Member
7.	Mr. T. Seto(Alternate to Mr. Ehara)*	Not Member	2	Not Member	Not Member
8.	Mr. T. Nagaoka (Alternate to Mr. T Hanazawa)**	-	Not Member	Not Member	Not Member
9.	Mr. Koji Shikada***	Not Member	2	Not Member	Not Member
10.	Mr. C.R Muralidharan	4	Not Member	Not Member	Not Member
11.	Mr. Ravinder Kumar Kaul	Not Member	Not Member	3	3
12.	Mr. C Kono	4	Not Member	Not Member	Not Member
13.	Mr. Shigeru Ehara	-	-	Not Member	Not Member
14.	Dr. Hira Sadhak	1	1	Not Member	Not Member

Dates of Meetings:

Audit Committee - 05/06/2013; 26/09/2013; 26/11/2013; 05/02/2014
 Investment Committee - 05/06/2013; 25/09/2013; 26/11/2013; 04/02/2014
 Policyholder Protection Committee - 05/06/2013; 25/09/2013; 26/11/2013; 04/02/2014
 Risk Management Committee - 05/06/2013; 25/09/2013; 26/11/2013; 04/02/2014

Resigned on 25/04/2013 , *Resigned on 15/10/2013 , ** Resigned on 25/04/2013 , ***Appointed on 15/10/2013.

\$ Members of Investment Committee also includes Mr. Sarvesh Agrawal - CFO, Mr. Indraneel Basu - CIO and Mr. P. C. Gupta - Appointed Actuary, as stipulated by IRDA regulations. The number of meetings attended by them is 4, 4 & 0 respectively.

OTHER NON MANDATORY COMMITTEES:

Your Company has also constituted the Committee of Directors (COD) in accordance with clause 11.17 of the Articles of Association of the Company and Reinsurance Committee. Also, during the year, the Remuneration Committee of the Board was reconstituted by the Board at its meeting held on 25th April, 2013

COMMITTEE OF DIRECTORS:

The COD comprises of Mr. O. N. Singh (Executive Chairman), Mr. Koji Shikada (Non-Executive Director) and Mr. Taketoshi Nagaoka (Managing Director) who was appointed on 2nd April, 2014. COD acts as an effective organ of the Board, within the framework enumerated in the Articles of Association, as determined by the Board from time to time and under the overall supervision and management of your Company's operations.

REINSURANCE COMMITTEE (NON MANDATORY COMMITTEE):

Reinsurance Committee comprises of Mr. O. N. Singh (Executive Chairman), Mr. Taketoshi Nagaoka (Managing Director), Mr. Mohit Burman (Non - Executive Director), Mr. R.K Kaul (Non Executive Director) and Mr. Koji Shikada (Non - Executive Director) . Reinsurance Committee meet once during the year under the review. The reinsurance program and any amendments to the RI Strategy is decided by the committee who also approves the strategy to be followed for retention of business and risk transfer depending on the modalities of the Annual Budget as approved by the Board.

CG COMPLIANCE REPORTING & OTHER DISCLOSURES:

Compliance status of the CG guidelines is reported regularly to IRDA in compliance of the stipulations laid down in the related circular. Quarterly disclosure of financials and other information relating to Company, its products, service parameters are



Universal Sompo General Insurance Co. Ltd.

regularly updated on the Company's website on a periodic basis. The CG status reported to IRDA for 2013 -14 confirmed complete compliance with IRDA CG guidelines.

DIRECTORS:

Mr. Mohit Burman, Mr. Ananthkrishna and Mr. Ravinder Kumar Kaul, Directors of the Company retired by rotation and being eligible, offered themselves for re-appointment at the ensuing Annual General Meeting.

Further Additional Directors Mr.Rakesh Sethi, Mr. Shiro Sato, Mr. Koji Shikada hold office till the conclusion of the forthcoming Annual General Meeting pursuant to Section 161 of the Companies Act,2013. The Board of Directors recommend their appointment at the ensuing AGM.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 and the Companies Act, 2013 to the extent applicable, the under noted Directors' Responsibility Statement be included in the said Director's Report-

- a) in preparation of Annual Accounts for the period ended 31st March, 2014, the applicable accounting standards had been followed with explanation relating to material departures, if any ;
- b) they have selected such accounting policies and applied them consistently and made judgement(s) and estimate(s) 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 loss of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and the Companies Act, 2013 to the extent applicable for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- d) Annual Accounts have been prepared on a going concern basis "

STATUTORY AUDITORS AND AUDITORS' REPORT:

M/s. Ramesh C. Agrawal & Co, Chartered Accountants, and M/s. Rajendra K Goel & Co., Chartered Accountants, Joint Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting.

The Company has received confirmation from M/s Ramesh C. Agrawal & Co , Chartered Accountants and M/s. Rajendra K Goel & Co., Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013 and also that they are not otherwise disqualified as per the provisions of the Companies Act, 2013, for such re-appointment.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their immense appreciation for the assistance and cooperation received from Insurance Regulatory and Development Authority, General Insurance Council and other regulatory / statutory authorities for their support and guidance

Your Directors appreciate the loyal support received from policyholders, distribution channel partners and reinsurers.

Your Directors wish to place on record their sincere appreciation for the sustained and dedicated efforts put in by employees at all levels.

For and on behalf of the Board of Directors

Sd/-
[O. N. Singh]
Executive Chairman

Place: Mumbai
Date: 21st June 2014



Universal Sompo General Insurance Co. Ltd.

CERTIFICATION FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

I, Shilpa Mantri, Company Secretary of the Company hereby certify that the Company has complied with the Corporate Governance Guidelines for Insurance Companies, as amended from time to time and nothing has been concealed or suppressed.

Sd/-

Shilpa Mantri
Company Secretary

Place: Mumbai

Date: 21st June 2014



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- Option to cover 2 Dependent Parents.
- Coverage of ambulance expenses and periodic health check – up benefit.
- Income Tax Benefit u/s 80(D) of IT Act.

* For more details on risk factors, terms and conditions please read sales brochure carefully before concluding a sale.

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- Includes Maternity Benefit.
- Premium payment facility through auto debit from your IOB a/c.
- Coverage of Inpatient, Pre & Post Hospitalisation Expenses.
- Coverage of ambulance expenses and periodic health check – up benefit.
- Entry age up to 65 years.

* For more details on risk factors, terms and conditions please read sales brochure carefully before concluding a sale.



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Universal Sompo General Insurance Co. Ltd.

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

Registration No.: 134

Date of Registration: 16th November 2007

Management Report

In accordance with Part IV Schedule B of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, and with respect to the operations of the Company for the year ended March 31, 2014, the Management of the Company submits the following Report:

1. The license of General Insurance business (Registration No. 134) granted by the Insurance Regulatory and Development Authority (IRDA) continues to stand valid as on the Balance Sheet date and also as of the date of signing the financial statements. The Company has obtained renewal of registration certificate from IRDA for the year 2014-15 as required under section 3A of the Insurance Act, 1938.
2. To the best of our knowledge and belief, all the dues payable to the statutory authorities for the year ended 31st March 2014 have been duly paid.
3. We confirm that the shareholding pattern during the year ended 31st March 2014 was in accordance with the Statutory and or regulatory requirements.
4. We declare that the funds of the holders of polices issued in India have not been directly or indirectly invested outside India.
5. We confirm that the required solvency margin has been maintained.
6. We certify that the values of all assets have been reviewed on the date of the Balance Sheet and to the best of the Management's knowledge and belief, the assets set forth in the Balance Sheet as at 31st March 2014 are shown in the aggregate at amounts not exceeding their realizable or market value, under the headings – "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividend and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and the several items specified under "Other Accounts", except debt securities which are shown at amortized cost as per IRDA Regulations.
7. The entire gross risk exposure of the portfolio consists of fire, engineering, motor, casualty, health, personal accident, travel, credit insurance, rural and other lines of business.

The overall exposure is spread over various sectors including but not limited to power, textile, heavy and light engineering, paper, services, fast moving consumer goods, auto components etc across urban and rural segments as well as across demography.

The business underwritten pertains to the various products filed by us with IRDA, as per the file & use procedure.

The Company has put in place a reinsurance program and the risks underwritten by the Company are covered adequately by these reinsurance treaties which cover both the gross risks through proportional treaties and net risks through non-proportional risks. The Company monitors these risks closely and effective remedial action is taken wherever deemed necessary.

8. There were no operations of the Company in any other country during the year ended 31st March 2014.
9. a) For ageing analysis of claims outstanding during the preceding five years, please refer Annexure 1.
b) For average claims settlement time during the preceding five years, please refer Annexure 2.
10. We certify that the investments made in debt securities have been valued at historical cost subject to amortization of premium / discount. The same is in accordance with the regulations.

For the purpose of comparison, the fair market value of debt securities has been arrived on a yield to maturity (YTM) basis by using the appropriate discount rates derived from the yield curve data provided by the Fixed Income and Money Market Dealers Association (FIMMDA)

Listed equities at the balance sheet date are stated at fair value, being the last quoted closing price on the National Stock Exchange (NSE) and in case these are not listed on the National Stock Exchange then based on last quoted



closing price on the Bombay Stock Exchange (BSE).

Mutual fund investments are stated at fair value, being the closing net asset value as at the balance sheet date.

In accordance with the regulation, unrealized gain/loss arising due to changes in fair value of listed equity shares and mutual fund investment are not taken to revenue(s)/profit and loss account but are taken to the fair value change account. This balance in the fair value change account is not available for distribution, pending realization.

11. Investment as on March 31, 2014 amount to Rs. 8,895 million (Refer schedule 8, previous year Rs 7,746 million). Income from investment amount to Rs 738 million (previous year Rs 610 million)

Investments other than deposits with the banks, loans, units of mutual fund, units of venture fund and security receipts are only in regularly traded instruments in the secondary markets. The company's debt investment comprises largely of government securities, PSU bonds, AAA and AA+/P1+ rated security.

All are performing investments with no arrears of any payments due. Investments are managed in consonance with the investment policy framed from time to time by the Board are within the investment Regulations and guidelines of IRDA.

12. The Management of the Company certifies that:

- a. In the preparation of the financial statements, the applicable accounting standards, principles and policies have been followed and there are no material departures.
- b. The company 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 as of 31st March 2014, and of the operating profit of the Fire and Marine and operating loss of Miscellaneous Insurance business and Profit and Loss Account.
- c. The Management of the Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, (4 of 1938) / Companies Act, 1956 (1 of 1956) / Companies Act, 2013 (to the extent notified), for safeguarding the assets of the Company and for preventing and detecting and other irregularities.
- d. The Management has prepared the financial statements on a going concern basis.
- e. The management has ensured that an internal audit system commensurate with the size and the nature of the business exists and nature of the business exists and is operating effectively.

13. The schedule of payments which have been made to the individuals, firms, companies and organizations in which the directors of the insurer are interested for the year ended 31st March 2014, please refer to Annexure 3.

For and on behalf of the Board of Directors

Sd/-
O.N. Singh
Executive Chairman

Sd/-
C. R. Muralidharan
Director

Sd/-
Taketoshi Nagaoka
Managing Director

Sd/-
Sarvesh Agrawal
Chief Financial Officer

Place : Mumbai
Date : 21st June 2014

Sd/-
Shilpa Mantri
Company Secretary



UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

Annexure 1 (Continued)

DETAILS OF CLAIMS OUTSTANDING DURING THE PRECEDING FIVE YEARS

(Reserve Amt in lakhs)		2010-11														
Period	No. of Claims	Fire	Marine Cargo	Marine Others	Motor-OD	Motor-TP	Workmen's Compensation	Personal Accident	Health	Public/Product Liability	Engineering	Aviation	Trade Credit	Others	Total Nos	
	No. of Amount	No. of Amount	No. of Amount	No. of Amount	No. of Amount	No. of Amount	No. of Amount	No. of Amount	Total Amount							
30 days	22	1,109	53	79	-	1,930	1,322	80	4,090	3	3	16	90	803	603	
30days to 6 months	72	579	59	58	-	2,154	1,068	392	895	3	5	41	98	579	200	
6 months to 1 year	47	395	32	208	-	425	344	241	469	5	9	13	43	50	28	
1 year to 2 years	16	418	1	3	-	4	11	53	123	-	-	3	11	-	3	
5 years and above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grand Total	157	2,502	145	348	-	-	4,513	2,746	766	5,677	11	17	70	231	1,425	842

(Reserve Amt in lakhs)		2009-10														
Period	No. of Claims	Fire	Marine Cargo	Marine Others	Motor-OD	Motor-TP	Workmen's Compensation	Personal Accident	Health	Public/Product Liability	Engineering	Aviation	Trade Credit	Others	Total Nos	
	No. of Amount	No. of Amount	No. of Amount	No. of Amount	No. of Amount	No. of Amount	No. of Amount	No. of Amount	Total Amount							
30 days	28	259	24	38	-	986	460	29	1,118	6	5	64	134	904	348	
30days to 6 months	46	2,679	31	76	-	384	251	37	65	7	2	6	20	782	225	
6 months to 1 year	12	466	7	11	-	12	19	5	5	2	8	-	58	14	-	
1 year to 5 years	-	-	-	-	-	-	-	15	12	-	-	-	-	-	-	
5 years and above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grand Total	86	3,405	62	125	-	-	1,382	730	86	1,201	15	15	70	154	1,744	587



UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

Annexure 2

DETAILS OF CLAIM SETTLEMENT TIME FOR THE PRECEDING FIVE YEARS

LOB	2009-10		2010-11		2011-12		2012-13		2013-14	
	No of Claims Settled	Avg. Settlement Time (Days)	No of Claims Settled	Avg. Settlement Time (Days)	No of Claims Settled	Avg. Settlement Time (Days)	No of Claims Settled	Avg. Settlement Time (Days)	No of Claims Settled	Avg. Settlement Time (Days)
Fire	292	94	437	132	654	130	773	125	995	121
Marine Cargo	526	51	1,123	42	1,585	47	1,897	45	2,450	36
Marine Hull	-	-	-	-	-	-	-	-	-	-
Motor (Excl. TP)	4,744	37	29,760	54	32,429	52	32,565	49	31,895	47
Workmen Compensation	4	106	39	166	56	174	115	142	171	140
Personal Accident	599	31	568	56	502	101	453	109	557	94
Health	6,528	19	13,773	21	15,093	20	18,290	20	27,612	20
Public/Product Liability	-	-	-	-	-	-	-	-	-	-
Engineering	40	111	87	112	147	149	110	139	160	140
Aviation	-	-	-	-	-	-	-	-	-	-
Trade Credit	-	-	-	-	-	-	1	15	12	149
Miscellaneous	252	98	379	116	703	118	1,040	111	1,083	99
Rural	870	66	2,108	61	2,743	49	3,386	39	4,435	37
Total	13,855	33	48,274	46	53,912	45	58,630	42	69,370	38

Note :- The above ageing does not include Legal & Motor Third party claims, typically settled through MACT & other judicial forums along with RI Payment & Incoming coinsurance.

**UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED****Annexure 3****List of payments to parties in which Directors are interested**

(Rs. in Lakhs)

Sr. No.	Name of the Director	Entity in which Director is interested	Interested as	Amount	Nature of payments
1	O N Singh T R Chawla Rakesh Sethi S.A.Panse R K Kaul	Allahabad Bank	Director	23.10 939.87 37.86	i. Bank Charges ii. Commission iii. Claim payments
2	M Narendra B Ramani Geeta P Shetti	Indian Overseas Bank	Director	1,213.52 43.85	i. Commission ii. Claim payments
3	Ananthakrishna	The Karnataka Bank	Director	398.14 215.50 15.09 0.15	i. Commission ii. Rent iii. Claim payment iv. Bank Charges
4	Takashi Ebihara Shigeru Ehara Koji Shikada Tsuyoshi Seto C Kono	Sompo Japan Insurance Inc.	Director	1,933.87	i. Reinsurances

Sitting Fees paid to Directors

(Rs. in Lakhs)

Sr. No.	Name of the Director	Amount	Nature of payments
1	O N Singh	2.05	Director sitting Fee
2	Takashi Ebihara	2.05	Director sitting Fee
3	Ashok K Jain	0.25	Director sitting Fee
4	Ananthakrishna	2.40	Director sitting Fee
5	B Ramani	0.65	Director sitting Fee
6	C Kono	1.00	Director sitting Fee
7	C R Muralidharan	1.15	Director sitting Fee
8	Dr H Sadhak	0.35	Director sitting Fee
9	Geeta P Shetti	0.15	Director sitting Fee
10	Koji Shikada	0.60	Director sitting Fee
11	M Narendra	0.60	Director sitting Fee
12	Mohit Burman	0.75	Director sitting Fee
13	R K Kaul	1.20	Director sitting Fee
14	S A Panse	0.30	Director sitting Fee
15	T R Chawla	0.15	Director sitting Fee
16	Tsuyoshi Seto	1.25	Director sitting Fee



Universal Sompo General Insurance Co. Ltd.

INDEPENDENT AUDITOR'S REPORT

To

The Member of Universal Sompo General Insurance Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Universal Sompo General Insurance Company Limited** which comprise the Balance Sheet as at March 31, 2014, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account for the year then ended, the schedule annexed thereto, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial positions of the Company in accordance with accounting principles generally accepted in India and the Accounting Standards (AS) notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 12, 2013 of the Ministry of Corporate Affairs) to the extent applicable, including the provisions of the Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority (the "IRDA") in this behalf, the provisions of the Companies Act 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements are prepared in accordance with the requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (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 the Insurance Companies:



- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- ii. in the case of the Revenue Accounts, of the operating profit in so far as it relates to the Fire Revenue Account and Marine Revenue Account and operating loss in so far as it relates to the Miscellaneous Revenue Account for the year ended March 31, 2014;
- iii. in the case of the Profit and Loss Account, of the Profit for the year ended March 31, 2014; and
- iv. in the case of the Receipts and Payments Account, of the receipts and payments as at March 31, 2014.

Report on Other Legal and Regulatory Requirements

1. As required by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, we have issued a separate certificate dated June 21st, 2014 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.
2. As required by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, read with the Companies Act, 1956 (to the extent applicable) and read with General Circular 15/2013 dated September 12, 2013 of the Ministry of Corporate Affairs in respect of Sections 133 of the Companies Act, 2013, we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit and have found them to be satisfactory;
 - (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 maintained by the Company, so far as appears from our examination of those books;
 - (c) as the Company's financial accounting system is centralized, no returns for the purposes of our audit are prepared at the branches of the Company;
 - (d) the Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account referred to in this report are in agreement with the books of account;
 - (e) the Balance sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (to the extent applicable) and read with General Circular 15/2013 dated September 12, 2013 of the Ministry of Corporate Affairs in respect of Sections 133 of the Companies Act, 2013 and the Rules framed there under to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders/directions issued by the IRDA in this regard;
 - (f) 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, the Regulations and/or orders/directions issued by the IRDA in this regard;
 - (g) the accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (to the extent applicable) and read with General Circular 15/2013 dated September 12, 2013 of the Ministry of Corporate Affairs in respect of Sections 133 of the Companies Act, 2013 and the Rules framed there under and with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and orders/directions issued by the IRDA in this regard; and
 - (h) The actuarial valuation of liabilities in respect of Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) as at March 31, 2014 other than for reinsurance accepted from Declined Risk Pool (DR Pool) has been duly certified by the Company's Appointed Actuary of the Company and relied upon by us, The Appointed Actuary has also certified that the assumptions considered by him for such valuations are in accordance with the guidelines and norms issued by the IRDA and Actuarial Society of India in concurrence with the IRDA. In respect of reinsurance accepted from DR Pool, IBNR/IBNER has been recognised based on



Universal Sompo General Insurance Co. Ltd.

estimates received from DR Pool.

- (i) on the basis of written representations received from the Directors of the Company, as on March 31, 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**For Rajendra K. Goel & Co.
Chartered Accountants**

Sd/-
R.K. Goel
Partner
Membership No. 006154
Firm Reg. No. 001457N

Place : Mumbai
Date : June 21st, 2014.

**For Ramesh C. Agrawal & Co.
Chartered Accountants**

Sd/-
R. C. Agrawal
Partner
Membership No. 070229
Firm Reg. No. 001770C



Universal Sompo General Insurance Co. Ltd.

Independent Auditor's Certificate

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examinations of the books of account and other records maintained by the Universal Sompo General Insurance Company Limited for the year ended 31st March 2014, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2014 and on the basis of our review, there are no apparent mistakes or material inconsistencies with the financial statements; and
2. Based on the management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, we certify that the Company has complied with the terms and conditions of registration stipulated by Insurance Regulatory and Development Authority (IRDA);
3. We have verified the cash balances, to the extent considered necessary, the securities relating to the Company's investments as at March 31, 2014, by actual inspection or on the basis of certificates/confirmations received from custodian and/or Depository Participants appointed by the Company, as the case may be;
4. The Company is not the trustee of any trust; and
5. No part of the assets of the Policy Holders' Funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 relating to the application and investments of the Policy Holders' Funds.

This certificate is issued to comply with paragraphs 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, and is not intended to be used or distributed for any other purpose.

For Rajendra K. Goel & Co.

Chartered Accountants

Sd/-

R.K. Goel

Partner

Membership No. 006154

Firm Reg. No. 001457N

Place : Mumbai

Date : June 21st, 2014.

For Ramesh C. Agrawal & Co.

Chartered Accountants

Sd/-

R. C. Agrawal

Partner

Membership No. 070229

Firm Reg. No. 001770C



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More than Good Health.*

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* For more details on risk factors, terms and conditions please read sales brochure carefully before concluding a sale.

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ENG/KBHC/P/AR/044/Sep2014. IRDA Regd. No. 134. Regd. Office : Unit No 401, 4th Floor, Sangam Complex, 127, Andheri Kurla Road, Andheri (E), Mumbai – 400059, Maharashtra. Fax# 022 -29211844 CIN# U66601MH2007PLC166770. Email: contactus@universalsompo.com. Insurance is the subject matter of solicitation. "IRDA or its officials do not involve in activities like sale of any kind of insurance or financial products nor invest premiums"; "IRDA does not announce any bonus"; "Those receiving such phone calls are requested to lodge a police complaint along with details of phone call and number".



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Universal Sompo
General Insurance Co. Ltd.
Suraksha, Hamesha Aapke Saath

A joint venture of **Allahabad Bank** ★ **Indian Overseas Bank**

★ **Karnataka Bank Ltd.** ★ **Dabur Investment Corp.** ★ **Sompo Japan Insurance Inc.**

ENG/LS/AR/046/Sep2014. IRDA Regd. No. 134. Regd. Office : Unit No 401, 4th Floor, Sangam Complex, 127, Andheri Kurla Road, Andheri (E), Mumbai – 400059, Maharashtra. Fax# 022-29211844 CIN# U66010MH2007PLC166770. Email: contactus@universalsompo.com. Insurance is the subject matter of solicitation. For more details on risk factors, terms and conditions please read sales brochure carefully before concluding a sale. "IRDA or its officials do not involve in activities like sale of any kind of insurance or financial products nor invest premiums"; "IRDA does not announce any bonus"; "Those receiving such phone calls are requested to lodge a police complaint along with details of phone call and number".



Universal Sompo General Insurance Co. Ltd.

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 134, dated November 16, 2007

Balance Sheet as at March 31, 2014

Particulars	Schedule	(Rs. in '000s)	(Rs. in '000s)
		At March 31, 2014	At March 31, 2013
Sources of Funds			
Share Capital	5	3,500,000	3,500,000
Reserves and Surplus	6	858,000	858,000
Fair Value Change Account		(864)	(26,085)
Borrowings	7	-	-
Total		4,357,136	4,331,915
Application of Funds			
Investments	8	8,895,190	7,745,673
Loans	9	-	-
Fixed Assets	10	127,466	112,432
Deferred Tax Asset (Net)		108,936	114,966
Current Assets			
Cash and Bank Balances	11	320,823	192,224
Advances and Other Assets	12	2,103,822	1,376,971
Sub-Total (A)		2,424,645	1,569,195
Current Liabilities	13	6,459,908	4,672,707
Provisions	14	2,675,999	2,570,908
Sub-Total (B)		9,135,907	7,243,615
Net Current Assets (C) = (A - B)		(6,711,262)	(5,674,420)
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		1,936,806	2,033,264
Total		4,357,136	4,331,915

Significant accounting policies and notes to financial statements 16

Schedules referred to above form an integral part of the Balance Sheet.

As per our attached report of even date.

For Rajendra K. Goel & Co. Chartered Accountants **For Ramesh C. Agrawal & Co.** Chartered Accountants

Sd/-
R. K. Goel
Partner
Membership No. 006154
Firm Reg. No.001457N

Sd/-
R. C. Agrawal
Partner
Membership No. 070229
Firm Reg. No.001770C

For and on behalf of the Board of Directors

Sd/-
O. N. Singh
Executive Chairman
Taketoshi Nagaoka
Managing Director

Sd/-
C. R. Muralidharan
Director
Sarvesh Agrawal
Chief Financial Officer

Place: Mumbai
Date: 21st June 2014

Sd/-
Shilpa Mantri
Company Secretary



Universal Sompo General Insurance Co. Ltd.

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 134, dated November 16, 2007

Profit and Loss Account for the year ended March 31, 2014

Particulars	Schedule	(Rs. in '000s)	
		Year Ended March 31, 2014	Year Ended March 31, 2013
Operating Profit / (Loss)			
(a) Fire Insurance		92,804	55,364
(b) Marine Insurance		2,347	(82,818)
(c) Miscellaneous Insurance		(186,648)	(266,134)
		(91,497)	(293,588)
Income from Investments			
(a) Interest, Dividend and Rent - Gross		198,757	194,486
(b) Profit on sale / redemption of investments		8,047	11,504
Less : Loss on sale of investments		(6,664)	(5,164)
(c) Amortization of Discount / (Premium)		(4,254)	(4,049)
		195,886	196,777
Other Income (To be specified)			
Miscellaneous Income		-	270
Total (A)		104,389	(96,541)
Provisions (Other than taxation)			
(a) For diminution in the value of investments		-	-
(b) For doubtful debts		-	-
(c) Others		-	-
		-	-
Other Expenses			
(a) Expenses other than those related to Insurance Business		-	-
(b) Bad debts written off		-	-
(c) Others (To be specified)		-	-
Loss on Sale / Write off of Fixed Assets (Net)		-	2,375
Director Sitting fees and Board meeting expenses		1,901	924
Foreign Exchange (Gain) / Loss		-	-
		1,901	3,299
Total (B)		1,901	3,299
Profit / (Loss) Before Tax (A) - (B)		102,488	(99,840)
Provision for taxation			
(a) Current tax / MAT Payable		-	-
(b) Deferred tax		6,030	(33,169)
(c) Wealth tax		-	-
Profit / (Loss) After Tax		96,458	(66,671)
Appropriations			
(a) Interim dividends paid during the year		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		-	-
(d) Transfer to any Reserves or Other Accounts		-	-
Balance of Profit / (Loss) brought forward from last year		(2,033,264)	(1,966,593)
Balance carried forward to Balance Sheet		(1,936,806)	(2,033,264)
EARNINGS PER SHARE			
Basic (in Rupees)		0.28	(0.19)
Diluted (in Rupees)		0.28	(0.19)
Nominal Value per Equity Share (in Rupees)		10.00	10.00
Significant accounting policies and notes to financial statements	16		
Schedules referred to above form an integral part of the Profit and Loss Account.			
This is the Profit and Loss Account referred to in our report of even date.			
For Rajendra K. Goel & Co. Chartered Accountants	For Ramesh C. Agrawal & Co. Chartered Accountants	For and on behalf of the Board of Directors	
Sd/- R.K. Goel Partner Membership No. 006154 Firm Reg. No. 001457N	Sd/- R. C. Agrawal Partner Membership No. 070229 Firm Reg. No. 001770C	Sd/- O. N. Singh Executive Chairman	Sd/- C. R. Muralidharan Director
		Sd/- Taketoshi Nagaoka Managing Director	Sd/- Sarvesh Agrawal Chief Financial Officer
			Sd/- Shilpa Mantri Company Secretary
Place: Mumbai Date: 21st June 2014			



Universal Sompo General Insurance Co. Ltd.

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 134, dated November 16, 2007

Revenue Account for Fire business for the year ended March 31, 2014

Particulars	Schedule	(Rs. in '000s)	(Rs. in '000s)
		Year Ended March 31, 2014	Year Ended March 31, 2013
Income			
Premium earned (Net)	1	448,497	365,113
Profit / (Loss) on sale / redemption of Investments		411	1,443
Others - Miscellaneous Income		-	-
Interest, Dividend and Rent - Gross		59,016	44,253
Amortization of Discount / (Premium)		(1,263)	(921)
Foreign Exchange (Gain) / Loss		-	-
Total (A)		506,661	409,888
Expenditure			
Claims Incurred (Net)	2	186,374	100,471
Commission	3	11,200	10,395
Operating Expenses related to Insurance Business	4	216,283	243,658
Premium Deficiency		-	-
Others		-	-
Total (B)		413,857	354,524
Operating Profit / (Loss) from Fire Business (C) = (A) - (B)			
		92,804	55,364
Appropriations			
Transfer to Shareholders' Account		92,804	55,364
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		92,804	55,364
Significant accounting policies and notes to financial statements	16		
Schedules referred to above form an integral part of the Revenue Account.			

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

This is the Revenue Account referred to in our report of even date.

For Rajendra K. Goel & Co. Chartered Accountants **For Ramesh C. Agrawal & Co. Chartered Accountants**

Sd/- R. K. Goel Partner Membership No. 006154 Firm Reg. No.001457N	Sd/- R. C. Agrawal Partner Membership No. 070229 Firm Reg. No.001770C
---	--

For and on behalf of the Board of Directors

Sd/- O. N. Singh Executive Chairman	Sd/- C. R. Muralidharan Director
Sd/- Taketoshi Nagaoka Managing Director	Sd/- Sarvesh Agrawal Chief Financial Officer

Place: Mumbai
Date: 21st June 2014

Sd/-
Shilpa Mantri
Company Secretary



Universal Sompo General Insurance Co. Ltd.

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 134, dated November 16, 2007

Revenue Account for Marine business for the year ended March 31, 2014

Particulars	Schedule	(Rs. in '000s)	(Rs. in '000s)
		Year Ended March 31, 2014	Year Ended March 31, 2013
Income			
Premium earned (Net)	1	42,581	22,954
Profit / (Loss) on sale / redemption of Investments		61	179
Others - Miscellaneous Income		-	-
Interest, Dividend and Rent - Gross		8,806	5,490
Amortization of Discount / (Premium)		(188)	(114)
Foreign Exchange (Gain) / Loss		-	-
Total (A)		51,260	28,509
Expenditure			
Claims Incurred (Net)	2	43,166	45,347
Commission	3	(12,389)	(6,856)
Operating Expenses related to Insurance Business	4	18,136	40,336
Premium Deficiency		-	32,500
Others		-	-
Total (B)		48,913	111,327
Operating Profit / (Loss) from Marine Business (C) = (A) - (B)		2,347	(82,818)
Appropriations			
Transfer to Shareholders' Account		2,347	(82,818)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		2,347	(82,818)
Significant accounting policies and notes to financial statements	16		
Schedules referred to above form an integral part of the Revenue Account.			

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

This is the Revenue Account referred to in our report of even date.

For Rajendra K. Goel & Co. For Ramesh C. Agrawal & Co.
Chartered Accountants Chartered Accountants

Sd/-	Sd/-
R. K. Goel	R. C. Agrawal
Partner	Partner
Membership No. 006154	Membership No. 070229
Firm Reg. No.001457N	Firm Reg. No.001770C

For and on behalf of the Board of Directors

Sd/-	Sd/-
O. N. Singh	C. R. Muralidharan
Executive Chairman	Director
Sd/-	Sd/-
Taketoshi Nagaoka	Sarvesh Agrawal
Managing Director	Chief Financial Officer

Place: Mumbai
Date: 21st June 2014

Sd/-
Shilpa Mantri
Company Secretary



Universal Sompo General Insurance Co. Ltd.

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 134, dated November 16, 2007

Revenue Account for Miscellaneous business for the year ended March 31, 2014

Particulars	Schedule	(Rs. in '000s)	
		Year Ended	Year Ended
		March 31, 2014	March 31, 2013
Income			
Premium earned (Net)	1	3,628,348	3,025,032
Profit / (Loss) on sale / redemption of Investments		3,358	11,704
Others - Miscellaneous Income		1,474	611
Interest, Dividend and Rent - Gross		482,591	359,036
Amortization of Discount / (Premium)		(10,329)	(7,475)
Foreign Exchange (Gain) / Loss		-	-
Total (A)		4,105,442	3,388,908
Expenditure			
Claims Incurred (Net)	2	2,824,802	2,289,953
Commission	3	198,872	206,938
Operating Expenses related to Insurance Business	4	1,267,435	1,157,505
Premium Deficiency		-	-
Others		-	-
- Contribution to Solatium Fund		981	646
Total (B)		4,292,090	3,655,042
Operating Profit / (Loss) from Miscellaneous Business (C) = (A) - (B)			
		(186,648)	(266,134)
Appropriations			
Transfer to Shareholders' Account		(186,648)	(266,134)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		(186,648)	(266,134)
Significant accounting policies and notes to financial statements	16		
Schedules referred to above form an integral part of the Revenue Account.			

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

This is the Revenue Account referred to in our report of even date.

For Rajendra K. Goel & Co. For Ramesh C. Agrawal & Co.
Chartered Accountants Chartered Accountants

Sd/-
R. K. Goel
Partner
Membership No. 006154
Firm Reg. No. 001457N

Sd/-
R. C. Agrawal
Partner
Membership No. 070229
Firm Reg. No. 001770C

For and on behalf of the Board of Directors

Sd/-
O. N. Singh
Executive Chairman

Sd/-
Taketoshi Nagaoka
Managing Director

Sd/-
C. R. Muralidharan
Director

Sd/-
Sarvesh Agrawal
Chief Financial Officer

Sd/-
Shilpa Mantri
Company Secretary

Place: Mumbai
Date: 21st June 2014



UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED
Schedule forming part of Revenue Accounts for the year ended March 31, 2014

SCHEDULE - 1
PREMIUM EARNED [NET]

	MARINE					MISCELLANEOUS					(Rs. in '000s)			
FIRE	MARINE CARGO	MARINE HULL	MARINE TOTAL	Motor OD	Motor TP	Motor Total	Workmen's Compens- ation	Personal Accident	Health Insurance	Public/ Product Liability	Trade Credit	Others	Total	Year Ended March 31, 2014
Premium from direct business written														
Add: Premium on reinsurance accepted	1,071,608	181,604	1,336,987	980,539	2,317,526	20,949	68,994	866,918	6,541	191,507	3,445	2,012	673,369	4,151,261
Less : Premium on reinsurance ceded	52,121	-	-	-	2,631	2,631	-	-	12,836	-	-	-	15,467	67,588
Nat Premium	515,145	130,576	645,721	58,484	140,456	1,048	22,408	108,353	2,535	132,741	2,999	1,749	188,107	600,396
Adjustment for change in Reserve for Unexpired Risks	608,584	51,028	1,255,015	924,686	2,179,701	19,901	46,586	758,565	4,006	71,602	446	263	485,262	3,566,332
Total Premium Earned (Net)	(160,087)	(8,447)	89,400	150,353	239,753	(725)	(13,749)	(110,486)	(570)	(8,377)	(173)	(85)	(43,572)	62,016
Premiums, less reinsurance, written from business	448,497	42,581	-	42,581	1,344,415	1,075,039	2,419,454	19,176	32,837	648,079	3,436	63,225	273	178
In India	608,584	51,028	-	51,028	1,255,015	924,686	2,179,701	19,901	46,586	758,565	4,006	71,602	446	263
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Premium	608,584	51,028	-	51,028	1,255,015	924,686	2,179,701	19,901	46,586	758,565	4,006	71,602	446	263
Premiums, less reinsurance, written from business	448,497	42,581	-	42,581	1,344,415	1,075,039	2,419,454	19,176	32,837	648,079	3,436	63,225	273	178
Premiums, less reinsurance, written from business	448,497	42,581	-	42,581	1,344,415	1,075,039	2,419,454	19,176	32,837	648,079	3,436	63,225	273	178



Universal Sompo General Insurance Co. Ltd.

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED
Schedule forming part of Revenue Accounts for the year ended March 31, 2014

SCHEDULE - 2
CLAIMS INCURRED [NET]

(Rs. in '000s)

	MARINE						MISCELLANEOUS						Year Ended March 31, 2014				
	FIRE	MARINE CARGO	MARINE HULL	MARINE TOTAL	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Personal Accident	Health Insurance	Public/ Product Liability	Engineering	Aviation	Trade Credit	Others	Total	
987,812	117,080	-	117,080	849,309	338,056	1,187,365	3,882	23,689	662,394	10	24,854	-	1,972	146,858	2,051,024	3,155,916	
(40)	-	-	-	-	(2,985)	(2,985)	-	-	-	263	-	-	-	(2,722)	(2,762)		
873,752	80,451	-	80,451	72,479	12,688	85,167	376	5,893	48,865	-	7,030	-	1,481	17,241	166,053	1,120,256	
Net Claims Paid	36,629	-	36,629	776,830	322,383	1,099,213	3,506	17,796	613,529	10	18,087	-	491	129,617	1,882,249	2,032,898	
Add : Claims Outstanding at the end of the Year																	
Less : Claims Outstanding at the beginning of the year																	
Total Claims Incurred	186,374	43,166	-	43,166	799,467	1,082,648	1,882,115	643	18,934	705,998	70	37,744	-	(44)	179,342	2,824,802	3,054,342

	MARINE						MISCELLANEOUS						Year Ended March 31, 2013				
	FIRE	MARINE CARGO	MARINE HULL	MARINE TOTAL	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Personal Accident	Health Insurance	Public/ Product Liability	Engineering	Aviation	Trade Credit	Others	Total	
181,295	92,218	-	92,218	703,075	189,683	892,758	3,002	24,858	376,722	-	12,126	-	114,609	1,424,075	1,697,588		
8,397	-	-	-	-	-	-	-	-	-	-	313	-	-	-	1,417,193	1,425,590	
98,165	59,132	-	59,132	70,307	1,818,394	1,888,701	298	5,744	37,672	-	5,184	-	-	15,891	1,953,490	2,110,787	
Net Claims Paid	33,086	-	33,086	632,768	(211,831)	420,937	2,704	19,114	339,050	-	7,255	-	98,718	887,778	1,012,391		
Add : Claims Outstanding at the end of the Year																	
Less : Claims Outstanding at the beginning of the year																	
Total Claims Incurred	100,471	45,347	-	45,347	639,808	1,077,072	1,736,880	8,853	20,074	361,119	1,908	20,843	200	1,230	138,846	2,289,953	2,435,771



UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED
Schedule forming part of Revenue Accounts for the year ended March 31, 2014
SCHEDULE - 4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

	FIRE	MARINE					MISCELLANEOUS							Year Ended March 31, 2014			
		MARINE CARGO	MARINE HULL	MARINE TOTAL	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Personal Accident	Health Insurance	Product Liability	Engineering	Aviation	Trade Credit	Others	Total	
Employees' remuneration and welfare benefits	66,780	5,599	-	5,599	137,713	101,466	239,179	2,184	5,112	83,238	440	7,857	49	29	53,248	391,336	463,715
Travel, conveyance and vehicle running expenses	9,929	833	-	833	20,476	15,086	35,562	325	760	12,376	65	1,168	7	4	7,917	58,184	68,946
Training expenses	719	60	-	60	1,483	1,093	2,576	24	55	896	5	85	1	-	573	4,215	4,994
Rents, rates and taxes	22,550	1,891	-	1,891	46,502	34,263	80,765	737	1,726	28,107	148	2,653	17	10	17,981	132,144	156,585
Repairs	11,867	995	-	995	24,472	18,031	42,503	388	908	14,791	78	1,396	9	5	9,462	69,540	82,402
Printing and stationery	4,166	349	-	349	8,591	6,330	14,921	136	319	5,193	27	490	3	2	3,322	24,413	28,928
Communication	6,766	567	-	567	13,954	10,281	24,235	221	518	8,434	45	796	5	3	5,395	39,652	46,985
Legal and Professional charges	12,888	1,081	-	1,081	26,577	19,552	46,159	421	987	16,064	85	1,516	9	6	10,276	75,523	89,492
Service Charges	35,405	2,969	-	2,969	73,012	53,795	126,807	1,158	2,710	44,130	233	4,166	26	15	28,231	207,476	245,850
Auditors' fees, expenses etc.																	
a) as auditors	324	27	-	27	668	492	1,160	11	25	404	2	38	-	-	258	1,898	2,249
b) as advisor or in any other capacity, in respect of :			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c) in any other capacity and		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d) out of pocket expenses	93	8	-	8	193	142	335	3	7	117	1	11	-	-	75	549	650
Advertisement and publicity	20,298	1,702	-	1,702	41,859	30,842	72,701	664	1,554	25,301	134	2,388	15	9	16,185	118,951	140,951
Interest and Bank Charges	426	36	-	36	879	647	1,526	14	33	531	3	50	-	-	340	2,497	2,959
Others:																	
Agent Training	221	19	-	19	456	336	792	7	17	275	1	26	-	-	176	1,294	1,534
Recruitment Expenses	271	23	-	23	558	411	969	9	21	337	2	32	-	-	216	1,586	1,880
Information Technology Expenses	9,664	813	-	813	19,990	14,729	34,719	317	742	12,083	64	1,141	7	4	7,729	56,806	67,313
Membership & Subscription	500	42	-	42	1,030	759	1,789	16	38	623	3	59	-	-	398	2,926	3,468
Miscellaneous Expenses	3,614	303	-	303	7,453	5,491	12,944	118	277	4,505	24	425	3	2	2,881	21,179	25,096
Depreciation	9,772	819	-	819	20,153	14,848	35,001	320	748	12,181	64	1,150	7	4	7,791	57,266	67,857
Service Tax on premium account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	216,283	18,136	-	18,136	446,019	328,624	774,643	7,073	16,557	269,586	1,424	25,447	158	93	172,454	1,267,435	1,501,854



SCHEDULE - 4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED
Schedule forming part of Revenue Accounts for the year ended March 31, 2014

(Rs. in '000s)

	MISCELLANEOUS										Year Ended March 31, 2013						
	FIRE	MARINE	MARINE	MARINE	MARINE	MOTOR OD	MOTOR TP	MOTOR Total	Workmen's Compensation	Personal Accident	Health Insurance	Public/ Product Liability	Engineering	Aviation	Trade Credit	Others	Total
73,412	12,153	-	12,153	126,960	109,388	236,288	1,915	4,081	45,217	1,322	9,960	74	297	49,591	348,745	434,310	
9,746	1,613	-	1,613	16,853	14,515	31,368	254	542	6,003	175	1,322	10	39	6,584	46,297	57,656	
585	97	-	97	1,012	872	1,884	15	33	361	11	79	1	2	395	2,781	3,463	
27,223	4,507	-	4,507	47,077	40,546	87,623	710	1,513	16,768	490	3,693	27	110	18,390	129,324	161,054	
13,107	2,170	-	2,170	22,666	19,522	42,188	342	729	8,073	236	1,778	13	53	8,854	62,266	77,543	
4,344	719	-	719	7,513	6,471	13,984	113	242	2,676	78	589	4	18	2,935	20,639	25,702	
5,208	862	-	862	9,007	7,757	16,764	136	290	3,208	94	707	5	21	3,518	24,743	30,813	
14,475	2,396	-	2,396	25,032	21,559	46,591	378	805	8,916	261	1,964	14	59	9,778	68,766	85,637	
41,353	6,845	-	6,845	71,511	61,580	133,101	1,078	2,299	25,471	745	5,610	41	167	27,934	196,446	244,644	
Auditors fees, expenses etc.																	
a) as auditors	380	63	-	63	658	566	1,224	10	21	234	7	52	-	2	257	1,807	2,250
b) as advisor or in any other capacity, in respect of :	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c) in any other capacity and	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d) out of pocket expenses	186	31	-	31	321	277	598	5	10	114	3	25	-	1	125	881	1,098
Advertisement and publicity	17,417	2,883	-	2,883	30,119	25,940	56,059	454	968	10,728	314	2,363	17	71	11,765	82,739	103,039
Interest and Bank Charges	707	117	-	117	1,222	1,053	2,275	18	39	435	13	96	1	3	477	3,357	4,181
Others:																	
Agents Training	305	51	-	51	528	465	983	8	17	188	5	41	-	1	206	1,449	1,805
Recruitment Expenses	434	72	-	72	751	647	1,398	11	24	267	8	59	-	2	293	2,062	2,568
Information Technology Expenses	10,577	1,751	-	1,751	18,290	15,753	34,043	276	588	6,515	190	1,435	11	43	7,145	50,246	62,574
Membership & Subscription	935	155	-	155	1,616	1,392	3,008	24	52	576	17	127	1	4	631	4,440	5,530
Miscellaneous Expenses	8,765	1,451	-	1,451	15,157	13,054	28,211	229	487	5,399	158	1,189	9	35	5,921	41,638	51,654
Depreciation	14,499	2,400	-	2,400	25,073	21,595	46,668	378	806	8,931	261	1,967	15	59	9,794	68,879	85,778
Service Tax on premium account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	243,658	40,336	-	40,336	421,356	362,902	784,258	6,354	13,546	150,080	4,388	33,056	243	987	164,593	1,157,505	1,441,499



Universal Sompo General Insurance Co. Ltd.

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

Schedule forming part of balance sheet as at March 31, 2014

SCHEDULE - 5 SHARE CAPITAL

	(Rs. in '000s)	(Rs. in '000s)
	At	At
	March 31, 2014	March 31, 2013
Authorised Capital		
400,000,000 Equity Shares of Rs. 10 each	4,000,000	<u>4,000,000</u>
Issued Capital		
350,000,000 Equity Shares of Rs. 10 each	3,500,000	3,500,000
Subscribed Capital		
350,000,000 Equity Shares of Rs.10 each	3,500,000	3,500,000
Called-up Capital		
350,000,000 Equity Shares of Rs.10 each	3,500,000	3,500,000
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	<u>3,500,000</u>	<u>3,500,000</u>

Note : The company does not have any holding company.

SCHEDULE - 5A SHARE CAPITAL PATTERN ON SHAREHOLDING [As certified by the Management]

Shareholder	At March 31, 2014		At March 31, 2013	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters:				
Indian	259,000,000	74%	259,000,000	74%
Foreign	91,000,000	26%	91,000,000	26%
Others	-	0%	-	0%
TOTAL	350,000,000	100%	350,000,000	100%



Universal Sompo General Insurance Co. Ltd.

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

Schedule forming part of balance sheet as at March 31, 2014

SCHEDULE - 6

RESERVES AND SURPLUS

	(Rs. in '000s)	(Rs. in '000s)
	At	At
	<i>March 31, 2014</i>	<i>March 31, 2013</i>
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Share Premium		
Opening Balance	858,000	858,000
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	858,000	858,000
General Reserves	-	-
Less : Debit balance in Profit and Loss Account	-	-
Less : Amount utilized for Buy-back	-	-
Catastrophe Reserve	-	-
Other Reserves	-	-
Balance of Profit in Profit and Loss Account	-	-
TOTAL	858,000	858,000

SCHEDULE - 7

BORROWINGS

	At	At
	<i>March 31, 2014</i>	<i>March 31, 2013</i>
Debentures / Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
TOTAL	-	-



Universal Sompo General Insurance Co. Ltd.

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

Schedule forming part of balance sheet as at March 31, 2014

SCHEDULE - 8

INVESTMENTS

	(Rs. in '000s)	(Rs. in '000s)
	At March 31, 2014	At March 31, 2013
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	3,184,463	2,723,976
Other Approved Securities	39,951	39,947
Other Investments:		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	1,609,432	1,064,288
(e) Other Securities / Bank Deposit	517,600	887,600
(f) Subsidiaries	-	-
(g) Investment Properties - Real Estate	-	-
Investments in Infrastructure and Social Sector	1,349,263	1,200,987
Other than Approved Investments		
(a) Shares : Equity	-	-
(b) Debentures/ Bonds	-	-
Sub Total (A)	6,700,709	5,916,798
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	99,964	-
Other Approved Securities	-	-
Other Investments:		
(a) Shares		
(aa) Equity	132,317	130,291
(bb) Preference	-	-
(b) Mutual Funds	20,023	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	199,945	399,942
(e) Other Securities / Bank Deposit	1,592,200	1,279,500
(f) Subsidiaries	-	-
(g) Investment Properties - Real Estate	-	-
Investments in Infrastructure and Social Sector	150,032	-
Other than Approved Investments		
(a) Shares : Equity	-	19,142
(b) Mutual Fund	-	-
Sub Total (B)	2,194,481	1,828,875
Total (A+B)	8,895,190	7,745,673

Notes:

1. Government Securities aggregating to Rs. 102,060 thousand (previous year Rs. 102,331 thousand) have been deposited with State Bank of India under Section 7 of Insurance Act, 1938. The market value is Rs. 98,339 thousands (previous year Rs. 104,826 thousand)
2. Aggregate book value of Investments (other than listed equities) is Rs. 8,742,850 thousands (previous year Rs. 7,596,239 thousand)
3. Aggregate market value of Investments (other than listed equities) is Rs. 8,504,978 thousands (previous year Rs. 7,549,937 thousand)



Universal Sompo General Insurance Co. Ltd.

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

Schedule forming part of balance sheet as at March 31, 2014

SCHEDULE - 9

LOANS

	(Rs. in '000s)	(Rs. in '000s)
	At	At
	March 31, 2014	March 31, 2013
SECURITY-WISE CLASSIFICATION		
Secured		
(a) On mortgage of property		-
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Government Securities	-	-
(c) Others	-	-
Unsecured	-	-
Total	<hr/> <hr/>	<hr/> <hr/>
BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
	-	-
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	<hr/> <hr/>	<hr/> <hr/>
MATURITY-WISE CLASSIFICATION		
(a) Short Term	-	-
(b) Long Term	-	-
Total	<hr/> <hr/>	<hr/> <hr/>

Notes: There are no loans subject to restructuring (previous year Rs. NIL).



UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

Schedule forming part of balance sheet as at March 31, 2014.

**SCHEDULE - 10
FIXED ASSETS**

Description	Cost / Gross Block			Up to Last Year	For The Year	Depreciation	On Sales / Adjustments	To Date	As at March 31, 2014	As at March 31, 2013	Net Block
	Opening	Additions	Deductions	Closing							
Goodwill	-	-	-	-	-	-	-	-	-	-	-
Intangibles - Computer Software	103,999	14,467	-	118,466	82,077	15,928	-	-	98,005	20,461	21,922
Land-Freehold	-	-	-	-	-	-	-	-	-	-	-
Leasethold Improvements	117,665	15,475	-	133,140	98,384	16,107	-	-	114,491	18,649	19,281
Buildings	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fittings	52,015	7,467	-	59,482	21,916	8,039	-	-	29,955	29,527	30,099
Information Technology Equipments	168,584	27,144	-	195,728	146,282	17,240	-	-	163,502	32,226	22,322
Vehicles	9,798	-	-	9,798	5,131	2,450	-	-	7,581	2,217	4,667
Office Equipments	41,762	6,716	-	48,478	28,307	8,093	-	-	36,400	12,078	13,455
Others	-	-	-	-	-	-	-	-	-	-	-
Total	493,823	71,269	-	565,092	382,077	67,857	-	449,934	115,158	111,746	-
Work - in - progress											
Grand Total	493,823	71,269	-	565,092	382,077	67,857	-	449,934	127,466	112,432	-
Previous Year	480,763	30,539	17,479	493,823	311,387	85,778	15,088	382,077	112,432	-	-



Universal Sompo General Insurance Co. Ltd.

UNIVERSAL SOMPO GENERAL INSURNACE COMPANY LIMITED

Schedule forming part of balance sheet as at March 31, 2014

SCHEDULE - 11

CASH AND BANK BALANCES

	(Rs. in '000s)	(Rs. in '000s)
	At	At
	March 31, 2014	March 31, 2013
1. Cash (including cheques, drafts and stamps)	2,666	2,152
2. Bank Balances		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	-	-
(bb) Others	-	-
(b) Current Accounts	318,157	190,072
(c) Others (to be specified)	-	-
3. Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
4. Others (to be specified)	-	-
Total	320,823	192,224

Balances with non-scheduled banks included in 2 and 3 above



Universal Sompo General Insurance Co. Ltd.

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

Schedule forming part of balance sheet as at March 31, 2014

SCHEDULE - 12

ADVANCES AND OTHER ASSETS

	(Rs. in '000s)	(Rs. in '000s)
	At	At
	<i>March 31, 2014</i>	<i>March 31, 2013</i>
ADVANCES		
Reserve deposits with ceding companies	4,441	-
Application money for investments	-	-
Prepayments	15,764	11,064
Advances to Directors / Officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	6,953	6,871
Others		
Advance to Employees against expenses	304	3,147
Advance to Others	12,524	9,748
Surplus in Gratuity fund	1,913	-
Total (A)	41,899	30,830
OTHER ASSETS		
Income accrued on investments	437,369	323,966
Outstanding Premiums	-	-
Agents' Balances	1,567	2,335
Foreign Agencies Balances	-	-
Due from other entities carrying on insurance business (including reinsurers)	1,049,655	443,931
Due from subsidiaries / holding company	-	-
Deposit with Reserve Bank of India (Pursuant to Section 7 of Insurance Act, 1938)	-	-
Others		
Deposits for Office Premises	59,619	52,329
Other Deposits	4,770	4,142
Receivable from Terrorism Pool	88,032	36,075
Receivable from Motor Pool	387,167	452,688
Service tax unutilised credit	33,744	30,675
Total (B)	2,061,923	1,346,141
Total (A)+(B)	2,103,822	1,376,971



Universal Sompo General Insurance Co. Ltd.

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

Schedule forming part of balance sheet as at March 31, 2014

SCHEDULE - 13 CURRENT LIABILITIES

	(Rs. in '000s)	(Rs. in '000s)
	At	At
	<i>March 31, 2014</i>	<i>March 31, 2013</i>
Agents' Balances	27,178	31,333
Balances due to other insurance companies (including reinsurers)	139,863	184,829
Deposits held on re-insurance ceded	-	-
Premiums received in advance	219,627	138,894
Unallocated Premium	61,614	75,879
Sundry Creditors	473,319	343,028
Unclaimed amount of Policyholders	50,660	29,281
Due to subsidiaries / holding company	-	-
Claims Outstanding	5,466,607	3,851,522
Due to Officers / Directors	-	-
Others		
Due to Solatium Fund	3,621	2,641
Due to Environment Relief Fund	18	-
Due to Statutory Authorities	17,401	15,300
Total	6,459,908	4,672,707

SCHEDULE - 14 PROVISIONS

	At	At
	<i>March 31, 2014</i>	<i>March 31, 2013</i>
Reserve for Unexpired Risk	2,637,842	2,531,324
Reserve for premium deficiency	35,000	35,000
For taxation (less advance tax paid and taxes deducted at source)	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
Others - Retirement Benefits		
Leave Encashment	3,157	4,094
Gratuity	-	490
Total	2,675,999	2,570,908

SCHEDULE - 15 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)

	At	At
	<i>March 31, 2014</i>	<i>March 31, 2013</i>
Discount Allowed on issue of shares / debentures	-	-
Others	-	-
Total	-	-



SCHEDULE – 16

Significant Accounting Policies and Notes forming part of the Financial Statements for the year ended 31st March 2014

1. Background

Universal Sompo General Insurance Company Limited ("the Company") was incorporated on 5th January 2007 and received Certificate of Registration from Insurance Regulatory and Development Authority (IRDA) on 16th November 2007 to transact General Insurance business. The Company has also obtained its certificate of renewal of registration from IRDA for the year 2014-15.

The Shareholders of the Company are Allahabad Bank (30%), Indian Overseas Bank (19%), Karnataka Bank Ltd. (15%), Dabur Investment Corporation (10%) and Sompo Japan Insurance Inc. (26%).

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

The financial statements are prepared and presented under the historical cost convention, unless otherwise specifically stated, on the accrual basis of accounting, and comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act') which as per clarification issued by Ministry of Corporate Affairs continue to apply under sections 133 of the Companies Act, 2013 (which has superseded section 211 (3C) of the Companies Act, 1956 w.e.f. September 12, 2013), and in accordance with the statutory requirements of the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('The Regulations'), and orders / directions issued by the IRDA in this behalf, the provisions of the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable) in the manner so required and current practices prevailing within the insurance industry in India.

2.2 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, 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 the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions. Any revisions to accounting estimates are recognized prospectively in current and future periods.

2.3 Revenue Recognition

Premium Income

Premium on direct business is recorded for the policy period at the commencement of risk. Reinstatement premium is recorded as & when such premiums are recovered. Premium earned is recognized as income over the period of risk or the contract period based on 1/365 method, whichever is appropriate on a gross basis net of services tax. Any subsequent revision to premiums as and when they occur are recognized over the remaining period of risk or contract period.

Adjustments to premium income arising on cancellation of policies are recognized in the period in which it is cancelled.

Reinsurance Inward

The results of reinsurance inward are accounted as per last available statement of accounts/ confirmations from reinsurers.

Income from Reinsurance ceded

Commission on reinsurance ceded is recognized as income in the period of ceding the risk. Profit commission under reinsurance treaties, wherever applicable, is accounted whenever it is due and combined with commission on reinsurance ceded.

Income earned on Investments

Interest income on investments is recognized on accrual basis. Accretion of discount or amortization of premium relating to debt securities is recognized over the holding / maturity period on a straight line basis.



Dividend income is recognized when right to receive dividend is established.

Realized gain or loss on securities, which is the difference between the sale consideration and the carrying value in the books of the company, is recognized on the trade date. In determining the realized gain or loss, cost of securities is arrived on a “Weighted average cost” basis. Further, in case of listed equity shares and mutual fund the profit or loss on sale also includes the accumulated changes in the fair value previously recognized in the fair value change account.

Sale consideration for the purpose of realized gain/loss is net of brokerage and taxes, if any, and excludes interest received on sale.

2.4 Reserves for Unexpired Risk

Reserve for unexpired risk is recognized net of reinsurance ceded and represents premium written that is attributable and to be allocated to succeeding accounting periods for risks to be borne by the Company under contractual obligations on a contract period basis or risk period basis, whichever is appropriate. It is calculated on a daily pro-rata basis (1/365th method) for all lines except for Marine Ocean risks where the reserve for unexpired risk is held up to 60 days from the risk date. This is subject to a minimum of 50% of the premium, written on policies during the twelve months preceding the balance sheet date for fire, marine cargo and miscellaneous and 100% for marine hull business, on all unexpired policies at balance sheet date, in accordance with section 64 V(1)(ii)(b) of the Insurance Act, 1938.

2.5 Re-insurance premium ceded

Insurance Premium on ceding of the risk is recognized in the period in which the risk commences in accordance with reinsurance arrangements with the reinsurers. Any subsequent revision to premium ceded is recognized in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognized in the period in which they are cancelled.

2.6 Acquisition costs

Acquisition costs are those costs that vary with, and are primarily related to the acquisition of new and renewal of insurance contracts viz. commission, policy issue expenses, etc. These costs are expensed in the period in which they are incurred.

2.7 Premium received in advance

This represents premium received during the year, where the risk commences subsequent to the balance sheet date. This is reflected as Current Liabilities.

2.8 Premium deficiency

Premium deficiency is recognized for the Company as a whole when the sum of expected claim costs and related expenses and maintenance cost (related to claims handling) exceed the reserve for unexpired risks. In computing the overall premium deficiency in miscellaneous revenue account level, the premium deficiency arising out of Motor Third Party portfolio including erstwhile IMTPIP and Declined Risk Pool is not recognized. The expected claim costs is calculated and duly certified by the Appointed Actuary.

2.9 Claims

Claims incurred comprise claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey/legal fees and other directly attributable costs.

Claims (net of amounts receivable from reinsurers/coinsurers) are recognized on the date of intimation based on estimates from surveyors/insured in the respective revenue accounts.

Estimated liability for outstanding claims at balance sheet date is recorded in the respective revenue accounts, net of claims recoverable from/payable to co-insurers/reinsurers and salvage to the extent there is certainty of realization.

Estimated liability for outstanding claims is determined by management on the basis of ultimate amounts likely to be paid on each claim based on past experience. These estimates are progressively revalidated on availability of further information.

IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for the claims that have been incurred but not enough reported (IBNER). The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed Actuary of the Company. The actuarial estimate is derived in accordance with the relevant IRDA regulations and the



Guidance Note GN 21 issued by the Institute of Actuaries of India.

2.10 Investments

Investments are recorded at cost on trade date and include brokerage, transfer charges, stamps etc., if any, and excludes interest accrued up to the date of purchase.

The investment are shown at Company level and not segregated at Shareholder's level and Policyholder's level.

Classification

Investments maturing within twelve months from Balance Sheet date and investments made with the specific intention to dispose off within twelve months are classified as 'short term investments'.

Investments other than 'short term investments' are classified as 'long term investments'.

Valuation

Debt Securities

All debt securities are considered as "Held to Maturity" and accordingly stated at historical cost adjusted for amortization of premium or accretion of discount on a straight line basis over the holding / maturity period. The realized gain or loss on the securities is the differences between sale consideration and the amortized cost in the books of the company as on the date of sale determined on "weighted average cost basis".

Equities

Listed equities at the balance sheet date are stated at fair value, being the last quoted closing price on the National Stock Exchange (NSE) and in case these are not listed on the National Stock Exchange then based on last quoted closing price on the Bombay Stock Exchange (BSE).

Mutual Fund

Mutual fund investments are stated at fair value, being the closing net asset value as at balance sheet date.

Fair Value Change Account

Fair value change account represents unrealized gains or losses in respect of investments in equity securities and mutual fund units outstanding at each balance sheet date. The balance in the account is considered as a component of shareholders' funds and not available for distribution as dividend.

Real Estate – Investment Property

Investment Property is measured at historical cost less accumulated depreciation and impairment loss, if any.

Impairment of Investments

The Company board approved investment policy having various stop loss trigger for diminution in the investment value, the same is followed on consistent basis.

2.11 Fixed Assets, Intangibles, Impairment and Depreciation

Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. Cost includes the purchase price and any cost directly attributable to bringing the assets to its working condition for its intended use.

Depreciation on assets purchased /disposed off during the year is provided on pro rata basis with reference to the month of additions / deductions.

Depreciation on fixed assets is provided using higher of the rates based on economic useful lives of the assets as estimated by the management and the straight line method specified as per schedule XIV of the companies Act, 1956 as below,

In case of the following categories of the fixed assets, the management estimate of the useful lives is lower than that prescribed in Schedule XIV of the Companies Act, 1956.



Nature of Asset	Useful Life (years)	Useful life as per rates prescribed in schedule XIV of the companies Act, 1956 in years.
Leasehold Improvements	3 (or Contractual lease period whichever is lower)	-
Furniture and Fittings	8	15.80
Information Technology Equipment	4	6.17
Vehicles	4	10.53
Office Equipment	5	21.05

Intangibles Assets

Intangible assets comprising computer software are stated at cost less amortization. Computer software including improvements is amortized over a period of 4 years, being the management's estimate of the useful life of such intangibles.

All assets including intangibles individually costing less than Rs. 5,000 are fully depreciated / amortized in the year in which they are acquired.

Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

2.12 Leases

Lease payments for assets taken on operating lease are recognized as expenses in the revenue(s) and profit and loss account over the lease term.

2.13 Employee Benefits

Provident fund

This is a defined contribution scheme and contributions payable to the Regional Provident Fund Authority is provided on the basis of specified percentage of salary and is charged to profit and loss account and revenue account(s).

Gratuity

Gratuity, which is a defined benefit scheme is provided on the basis of actuarial valuation at year end and is recognized in the profit and loss account and revenue account(s).

Leave Encashment

Provisions for Leave Encashment are provided based on actuarial valuation including actuarial gains/losses at balance sheet date and are recognized in the revenue account(s) and profit and loss account.

2.14 Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Foreign exchange denominated current assets and liabilities, are restated at the rates prevalent at the date of the balance sheet. The exchange gains/ losses on account of settlement or on restatement are recognized in the revenue accounts or profit and loss account, as applicable.

2.15 Allocation of Investment Income

Investment income has been allocated between revenue account(s) and profit and loss account on the basis of the ratio of the average policyholders' funds to the average shareholders' funds respectively, average being the balance at the beginning of the year and at the end of the year.

Further, investment income across segments within the revenue account(s) has also been allocated on the basis of the segment-wise policyholders' funds.



Investment income arising from pool accounts is allocated directly to respective Revenue Accounts.

2.16 Allocation of 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 attributable, are broadly allocated on the basis of net premium in each business class; and
- Depreciation expenditure has been allocated on the assessment that the use of the assets is proportionate to net premium of the respective segments.

2.17 Contribution to Terrorism Pool

The Company in accordance with the requirements of IRDA has participating in contributing to the Terrorism Pool. This pool is managed by General Insurance Corporation of India (GIC). Amounts collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee (TAC) are ceded at 100% to the Terrorism Pool collected to the terrorism Pool, subject to the condition and an overall limit of Rs 10 billion.

In accordance with the terms of the agreement, GIC retro-cedes to the Company the terrorism premium to the extent of the Company's share in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on the intimation / confirmation received from GIC. Accordingly, reinsurance accepted, on account of the terrorism pool has been recorded only up to December 31, 2013 (previous year: December 31, 2012) as per the last confirmation received.

2.18 Indian Motor Third Party Pool (IMTPIP)

As per the directions of the IRDA, the Company has participated in pooling arrangement to share in all Motor Third Party insurance business underwritten in respect of commercial vehicles. The pooling arrangement was made effectively in respect of insurances renewals commencing on or after April 1, 2007. GIC is the administrator of the pooling arrangement. The pooling amongst all the insurers is achieved through a multi-lateral reinsurance arrangement between the underwriting insurer and all other registered insurers carrying on general insurances/reinsurance business.

IRDA vide its Order Ref No IRDA/NL/ORD/MPL/276/12/2011 dated December 23, 2011, IRDA/NL/ORD/MPL/003/01/2012 dated January 3, 2012, IRDA/F&A/ORD/MTPP/070/03-2012 dated March 22, 2012 and IRDA/NL/ORD/MPI/72/03/2012 dated March 22, 2012 ordered for dismantling of IMTPIP with effect from April, 1 2012.

2.19 Indian Motor Third Party Declined Risk Insurance Pool (IMTPDRIP)

The Indian Motor Third Party Declined Risk Insurance Pool (IMTPDRIP) is multi-lateral reinsurance arrangement between the underwriting insurer and all other registered insurers carrying on general insurance business to share the stand alone third party liability insurance for commercial vehicles (liability only) premium (excluding Miscellaneous and special class of vehicles falling under erstwhile All India Motor Tariff) which is considered as declined risk premium and ceded to pool as per the underwriting guidelines submitted every year by each insurer with effect from April 1, 2012. All the insurers underwriting motor insurance business are the members of the IMTPDRIP ("Members"). GIC is the administrator of the pooling arrangement.

As directed by the IRDA vide its Order Ref No IRDA/NL/ORD/MPL/277/12/2011 dated December 23, 2011 and IRDA/NL/ORD/MPI/72/03/2012 dated March 22, 2012, the company has to cede to the extent of 75% of the declined risk premium to the IMTPDRIP. All the premiums ceded to the IMTPDRIP are shared amongst members in the proportion of shortfall of the respective insurers. Shortfall is a difference of mandatory obligations and actual net retention of "Liability only premium" of the insurer. The mandatory obligations is calculated by applying average of market shares (being average of overall market share and market share in respect of motor business) to the total liability only premium of the industry for every financial year. Operating expenses of the IMTPDRIP incurred by GIC are borne by all the members in proportions to their respective mandatory obligations. The company effects the settlement of its share in the premium claims and expenditure based on clean cut settlement statement received from the pool administrator on quarterly basis.

2.20 Contribution to Funds

The Company provides for contribution to Solatium and Environment Relief Funds as per relevant regulatory requirements/circulars.



2.21 Preliminary Expenses

Preliminary expenses incurred are written off to the Profit and Loss account in the year in which it is incurred.

2.22 Taxation

Current tax

The Company provides for income tax on the basis of estimated taxable income for the current accounting period in accordance with the provisions of the Income Tax Act, 1961.

In accordance with the recommendations contained in 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 Tax ('MAT') credit is recognized 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.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the accounting income as per the Company's financial statements and the taxable income for the year. Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realized.

2.23 Wealth Tax

Provision for wealth tax is made on the taxable assets of the company.

2.24 Service Tax

Service tax collected is considered as a liability against which service tax paid for eligible services is adjusted as CENVAT and the net liability is remitted to the appropriate authority as stipulated. Unutilized CENVAT credits, if any, are carried forward under "Advances and other Assets" for adjustments in subsequent periods.

2.25 Provisions and Contingent liabilities

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent losses arising from the claims other than insurance claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.26 Earnings per Share

The basic earnings per share is computed by dividing the net profit after tax in the Profit and Loss account attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting period. Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are considered.



Notes Forming Part of Accounts

3. Contingent Liabilities

(Rs. in '000s)

	Particulars	As at March 31, 2014	As at March 31, 2013
1.	Partly paid-up investments	-	-
2.	Underwriting commitments outstanding	-	-
3.	Claims, other than those under policies, not acknowledged as debts	-	-
4.	Guarantees given by or on behalf of the Company	-	-
5.	Statutory demands/ liabilities in dispute, not provided for (see note below)	224	224
6.	Re-insurance obligations to the extent not provided for in accounts	-	-
7.	Others - Claims lodged by policyholders in court under dispute not provided for	320,281	74,985
	TOTAL	320,505	75,209

Note: The Company has disputed the demand raised by Income Tax Department for assessments completed of past years and the appeals are pending before the appropriate authorities.

4. Encumbrances on Assets

The Company's assets are located within India, and are free from encumbrances.

5. Commitments

There are no commitments made and outstanding for investments and loans. Estimated amount of contracts remaining to be executed on account of Fixed Assets (net of advances) Rs.18,533 thousands (Previous year Rs. 3,377 thousands).

6. Claims

a) Claims, less reinsurance paid to claimants in/ outside India are as under:

(Rs. in '000s)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
In India	2,032,898	1,012,391
Outside India	-	-
Total	2,032,897	1,012,391

b) Claims where the claim payment period exceed four years:

As per circular F&A/CIR/017/May-04, the claims made in respect of contracts where claims payment period exceeds 4 years, are required to be recognized on actuarial basis. Accordingly the Appointed Actuary has certified that there is no claim payment which is exceeding four years.



c) Ageing of gross Claims outstanding is set out in the table below:

(Rs. in '000s)

Particulars	As at March 31, 2014	As at March 31, 2013
Outstanding for less than six months	3,432,516	2,873,484
Outstanding for more than six months	2,034,091	978,038
Total	5,466,607	3,851,522

d) Claims settled and remaining unpaid for more than six months is Rs. Nil (previous years: Rs. Nil).

7. Premiums

a) Premium, less reinsurance, written from business in/ outside India is given below:

(Rs. in '000s)

Particulars	As at March 31, 2014	As at March 31, 2013
In India	4,225,944	4,145,971
Outside India	-	-

- b) The Company has recognized Nil percent (Previous year: Nil) of the total premium earned from the Miscellaneous - Engineering class of business based on varying risk pattern. The risk pattern determined based on underwriting estimates, which are in turn based on project related information received from the customers, and these are relied upon by the company.

8. Extent of Risks Retained and Re-insured

Extent of risks retained and reinsured (excluding Excess of Loss and Catastrophe re-insurance) based on Gross Written Premium is given below:

Particulars	Basis	For the year ended March 31, 2014		For the year ended March 31, 2013	
		Retention	Ceded	Retention	Ceded
Fire	Total sum insured	63%	37%	57%	43%
Marine- Cargo	Value at risk	34%	66%	32%	68%
Marine- Hull	Value at risk	-	-	-	-
Motor (Refer Note 18 & 19)	Total sum insured	95%	5%	90%	10%
Workmen's Compensation	Value at risk	95%	5%	90%	10%
Personal Accident	Value at risk	80%	20%	79%	21%
Health Insurance	Value at risk	88%	12%	90%	10%
Public/Product Liability	Value at risk	95%	5%	70%	30%



Particulars	Basis	For the year ended March 31, 2014		For the year ended March 31, 2013	
		Retention	Ceded	Retention	Ceded
Engineering	Total sum insured	40%	60%	57%	43%
Aviation	Value at risk	13%	87%	6%	94%
Trade Credit	Value at risk	13%	87%	0%	100%
Others	Value at risk	81%	19%	78%	22%

9. Investments

- a) Investments are made in accordance with the stipulations laid down by the Insurance Act, 1938, and the Insurance Regulatory and Development Authority (Investment) (Fourth Amendment) Regulations, 2008. All the investments of the Company are performing investments. Unrealized losses arising due to changes in the fair value of listed equity shares and Mutual Fund for 31st March 2014 Rs. 864 thousands (Previous year Rs.26,085 thousands).
- b) Value of contracts in relation to investments for:

(Rs. in '000s)

Particulars	As at March 31, 2014	As at March 31, 2013
Purchase where deliveries are pending	Nil	Nil
Sales where payments are overdue	Nil	Nil

The historical cost of Equity share / mutual fund valued on fair value basis is Rs. 153,203 thousands (Previous year Rs. 175,518 thousands).

- c) Investment in Reverse Repo

The Company, during the financial year 2013-14, has not undertaken any Reverse Repo/repo transaction in Corporate Debt Securities, the same has been disclosed below as required by the IRDA circular IRDA/F&I/CIR/INV/ 250/12/2012 dated December 4, 2012 and the direction laid down by RBI via notification IDMD.DOD.05/11.08.38/2009-10 dated January 8, 2010 and as updated from time to time.

Particulars	Minimum O/s during the year	Maximum O/s during the year	Daily Avg O/s during the year	O/s as on 31 March 2014
Securities sold under Repo	Nil	Nil	Nil	Nil
i. Government Securities	Nil	Nil	Nil	Nil
ii. Corporate Debt Securities	Nil	Nil	Nil	Nil
Securities purchased under Reserve Repo	Nil	Nil	Nil	Nil
i. Government Securities	Nil	Nil	Nil	Nil
ii. Corporate Debt Securities	Nil	Nil	Nil	Nil

- d) Valuations of Equity Shares

Hitherto, the Company has valued listed equity shares on the basis of lower of closing prices from National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). Pursuant to Master Circular dated October 5th 2012 and Corrigendum on Master Circular dated July 3rd, 2013 the company has valued the listed equities at the balance sheet date based on the last quoted closing price on the NSE and in case these are not listed on the NSE then



based on last quoted closing price on the BSE.

This change has resulted in increasing the fair value of listed equity securities by Rs.149/- thousand as at March 31, 2014.

e) Classifications of Investments

As per the Master Circular, insurers are required to indicate as far as it is feasible, Investments pertaining to Shareholders and policyholders separately, in which case, the investments schedule shall be disclosed as Schedule 8 - Investment (Shareholders) and Schedule 8a - Investments (Policyholders).

The Company has not segregated the investments pertaining to Shareholders and policyholders due to practical difficulties.

10. Chairman and Managing Director's Remuneration

The details of remunerations of Executive Chairman and Managing Director's as per the terms of appointment are as under:-

(Rs. in '000s)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Salary and allowances	8,742	6,768
Contribution to provident fund	558	432
Sitting fees	410	290
Performance link pay	4,650	0
Total	14,360	7,490

Note: - Provision towards gratuity and leave encashment are determined actuarially on an overall basis and accordingly have not been considered for the above disclosure.

11. The company does not have any Investment in Property at March 31, 2014 (Previous year Nil)

12. Sector wise Gross Direct Premium in India are as follows -

Business Sector	For the year ended March 31, 2014				For the year ended March 31, 2013			
	GDPI (Rs. In '000s)	No. of Policies	No. of Lives	% of GDPI	GDPI (Rs. In '000s)	No. of Policies	No. of Lives	% of GDPI
Rural	279,737	81,564	-	5.18%	277,224	82,659	-	5.19%
Urban	5,123,898	806,323	-	94.81%	5,040,375	836,464	-	94.33%
Social	838	927	2,393,010	0.02%	25,877	4,801	2,516,107	0.48%
Total	5,404,473	888,814	2,393,010	100.00%	5,343,476	923,924	2,516,107	100.00%

13. Premium deficiency

Hitherto, The Company has been recognizing premium deficiency at a business segment level. Pursuant to the Master Circular no. IRDA/F&I/CIR/F&A/231/10/2012 dated October 5th, 2012 and Corrigendum on Master Circular No. IRDA/F&A/CIR/DF/126/07/2013 dated July 3rd, 2013, the same is now being recognized for the company as a whole. However Company has recognized premium deficiency based on past experiences and on actuarial valuations under Marine cargo business segment.

**14. IBNR and IBNER Calculations**

The liability for IBNR (including IBNER) as at March 31, 2014 for all lines of business, other than reinsurance accepted from Declined risk pool and Indian Motor Third Party Insurance Pool has been estimated by the Appointed Actuary in compliance with the guidelines issued by IRDA vide circular no. 11/IRDA/ACTL/IBNR/2005-06 and the applicable guidance provided in Guidance Note 21 of the Actuarial Society of India and is duly certified by the Appointed Actuary of the Company.

The Appointed Actuary has adopted the Ultimate Loss Ratio Method for Motor TP, Liability product and Trade credit insurance, and Adhoc basis for Aviation where enough claim development data is not available and Chain Ladder Method for other lines of business where claims development in the past year is considered to be representative of the future claims development.

15. Reinsurance Inward

The results of reinsurance inward are accounted as per last available statement of accounts/ confirmations from reinsurers.

16. Contribution to Solatium Fund

In accordance with the requirements of IRDA circular dated March 18, 2003 and based on recommendations made at the general Insurance council meeting and as per the New India Assurance Circular HO/MTD/Solatium fund/2010/482 dated July 26, 2010, the company has provided 0.10% of the gross written premium on all third party motor policies towards contribution to the solatium fund.

17. Environment Relief Fund

The Company has collected an amount of Rs. 241 thousand (Previous year Rs. 301 thousand) towards environment relief fund from Public Liability policies.

18. Indian Motor Third Party Pool

The Company, as a member of the Indian Motor Third Party Insurance Pool, collectively, mandatorily and automatically participates in a pooling arrangement to share in all motor third party insurance business underwritten in respect of commercial vehicles, on or after 1st April 2007, by any of the registered General Insurers in accordance with the directions of IRDA.

IRDA vide its Order Ref No IRDA/NL/ORD/MPL/276/12/2011 dated December 23, 2011, IRDA/NL/ORD/MPL/003/01/2012 dated January 3, 2012, IRDA/F&A/ORD/MTPP/070/03-2012 dated March 22, 2012 and IRDA/NL/ORD/MPI/72/03/2012 dated March 22, 2012 ordered for dismantling of IMTPIP with effect from April, 1 2012.

The Company had recognized transitional liabilities based on the return received from IMTPIP in compliance with IRDA order ref no IRDA/F&A/ORD/MTPP/070/03-2012 dated March 22, 2012 and accordingly, classified the net liability in financial separately under "Other Assets" as "Receivable from Motor pool".

19. Indian Motor Third Party Declined Risk Insurance Pool (IMTPDRIP)

IRDA vide its Order Ref No IRDA/NL/ORD/MPL/277/12/2011 dated December 23, 2011 and IRDA/NL/ORD/MPI/72/03/2012 dated March 22, 2012, had directed the formation of the Indian Motor Third Party Declined Risk Insurance Pool for standalone third party liability insurance for commercial vehicles (Liability only) (excluding Miscellaneous and special class of vehicles falling under erstwhile all India Motor Tariff) with effect from April 1, 2012.

For the financial year ended March 31, 2013, pending the receipt of the 4th quarter statement and final ULR from the DR Pool, the Company has accounted the impact based on management estimates and recognized claims at the provisional prescribed estimated ULR of 145%.

During the current financial year, IRDA has issued Order no. IRDA/NL/ORD/MPL/223/11/2013 dated November 18, 2013 declaring the Ultimate loss ratios (ULR) for the DR Pool for the FY 2012-13 at 210% against the erstwhile provisional estimate of 145% as well as advised provisional ultimate loss ratios of 210% for the FY 2013-14.

There is no impact due to change in ultimate loss ratios (ULR) from 145% to 210% of FY 2012-13 during the FY 2013-14.

During the year ended March 31, 2014, The Company has accounted the share of loss in the IMTPDRIP for the period from January 1, 2013 to December 31, 2013, on the basis of audited clean cut settlement statement received from the pool administrator and the premiums retro ceded for the period January 1, 2013 to March 31, 2014 are accounted on management estimates. Necessary revision in estimates will be made upon receipt of final account statements from the



DR Pool for period ended from January 1, 2013 to March 31, 2014.

20. Segmental Reporting

The Company's primary reportable segments are business segments, which has been identified in accordance with AS-17 Segment Reporting read with the regulations. The segment revenues and segment results related to the same have been reported in the financial statements. The income & expenditure attributable to the business segment are allocated as mentioned in para 2.15 and 2.16.

Segmental Assets & liability to the extent identifiable to business segment.

(Rs. in '000s)

Segment	Year	Claims Outstanding
Fire	2013-14	870,722
	2012-13	374,325
Marine Cargo	2013-14	78,290
	2012-13	78,972
Marine Hull	2013-14	0
	2012-13	0
Motor OD	2013-14	278,923
	2012-13	271,918
Motor TP	2013-14	3,600,031
	2012-13	2,732,224
Workmen Compensation	2013-14	10,455
	2012-13	13,620
Personal Accident	2013-14	23,519
	2012-13	19,511
Health	2013-14	209,792
	2012-13	118,848
Public/Product Liability	2013-14	3,704
	2012-13	3,655
Engineering	2013-14	148,851
	2012-13	80,202
Aviation	2013-14	200
	2012-13	200
Credit Insurance	2013-14	2,066
	2012-13	4,029



Segment	Year	Claims Outstanding
Others	2013-14	240,054
	2012-13	154,018
Total	2013-14	5,466,607
	2012-13	3,851,522

Secondary reportable segments

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.

21. Operating Lease Commitments

The Company's significant leasing arrangements are in respect of operating leases for office premises. In respect of these agreements, refundable deposits have been given. Lease rentals are recognized in the Revenue Accounts for the year and included under 'Rents, rates and taxes' in Schedule 4.

The future minimum lease payments relating to leasing arrangements are disclosed below.

(Rs. in '000s)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Payable not later than one year	83,586	74,901
Payable later than one year but not later than five years	331,199	300,349
Payable later than five years	105,482	152,175

An amount of Rs. 79,541 thousands (Previous year Rs. 98,901 thousands) towards lease payments has been recognized in Revenue Accounts.

22. Deferred Taxes

The major components of temporary differences that account for deferred tax assets / liabilities are as under:

(Rs. in '000s)

Timing difference on account of	Deferred Tax Assets for Year Ended March 31, 2014	Deferred Tax Liability for Year Ended March 31, 2014	Deferred Tax Assets for Year Ended March 31, 2013	Deferred Tax Liability for Year Ended March 31, 2013
Reserve for Unexpired risk	102,795	0	99,897	0
Preliminary Expenses written off	0	0	0	0
Expenditure accrued but not deductible for tax purpose, allowable on actual payment	385	0	1,416	0
Depreciation	5,756	0	13,653	0
Total	108,936	0	114,966	0
Net Deferred Tax Assets	108,936	0	114,966	0

The Company has recognized a deferred tax liability for the year amounting to Rs. 6,030 thousands. (Previous year deferred tax assets of Rs 33,169 thousands) to the extent that there is a virtual certainty of realizing the same. However, the company has not been recognizing the tax effect of unabsorbed depreciation and carry forward business losses subject to considerations of prudence.



23. Earnings Per Share (EPS)

Earnings per share are calculated by dividing the Profit after Tax in the Profit and Loss Account by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings per equity share are as follows:

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Profit / (Loss) available to equity shareholders (Rs. in '000s)	96,458	(66,671)
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES		
Number of Equity Shares outstanding at the beginning of the year	350,000,000	350,000,000
Shares issued during the year	N/A	N/A
Total Number of Equity Shares outstanding at the end of the year	350,000,000	350,000,000
Weighted average number of Equity Shares outstanding during the year	350,000,000	350,000,000
Add: Effect of dilutive issues of options and shares application pending allotment	N/A	N/A
Diluted weighted average number of Equity Shares outstanding during the year	350,000,000	350,000,000
Nominal Value Per Share	Rs. 10.00	Rs. 10.00
Basic/Diluted Earnings Per Share	0.28	(0.19)

24. Details of transactions with related parties under Accounting Standard (AS 18) for the year ended 31st March 2014 is given below.

(Rs. in '000s)

Name of the Related party	Year	Allahabad Bank	Sompo Japan Insurance Inc.	Risk care Insurance Broking Services Pvt.Ltd.
		Promoters with more than 20% Voting Rights	Promoters with more than 20% Voting Rights	Significant influence
Details of transactions with Related parties				
Premium Income (rendering of services)	2013-14	84,046	68	0
	2012-13	85,628	66	0
Reinsurance Premium (Net of Commission)	2013-14	0	198,070	99,160
	2012-13	0	77,520	2,274
Claim Payments	2013-14	3,786	0	0
	2012-13	3,563	0	0
Claims Recovery on Reinsurance	2013-14	0	815,490	0
	2012-13	0	24,413	0



Name of the Related party	Year	Allahabad Bank	Sompo Japan Insurance Inc.	Risk care Insurance Broking Services Pvt.Ltd.
Nature of Relationship		Promoters with more than 20% Voting Rights	Promoters with more than 20% Voting Rights	Significant influence
Details of transactions with Related parties				
Commission payout	2013-14	96,067	0	5,007
	2012-13	84,728	0	6,295
Other Expenditure	2013-14	2,310	0	0
	2012-13	2,769	0	0
Other Reimbursement Received	2013-14	0	1,379	0
	2012-13	0	0	0
Balances with Related Parties				
Liabilities				
Share Capital	2013-14	1,050,000	910,000	0
	2012-13	1,050,000	910,000	0
Premium Payable (Net of Commission)	2013-14	0	37,178	0
	2012-13	0	18,848	0
Commission Payable	2013-14	8,716	0	333
	2012-13	6,636	0	832
Assets				
Bank Balance	2013-14	244,305	0	0
	2012-13	205,937	0	0
Expenses Receivable	2013-14	0	480	0
	2012-13	0	0	0
Claim Recoverable on Reinsurance	2013-14	0	24,475	0
	2012-13	0	22,859	0

Note: Remuneration to Key Management Personnel viz. Mr. O. N. Singh, (Executive Chairman and Whole-time Director), and Mr. Takashi Ebihara (Managing Director) is given in Note No. 10.



- 25.** In accordance with direction of IRDA circular no. IRDA/F&I/CIR/F&A/231/10/2012 dated October 5th, 2012, age wise analysis of the unclaimed amount of the policy holder as on 31st March, 2014 is shown as under. The company has not appropriated / written back the unclaimed amount of policyholders.

(Rs. in '000s)

Particulars	Year	Total Amount	1-3 Months	4-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 Months	Beyond 36 Months
Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / policyholders	2013-14 2012-13	-	-	-	-	-	-	-	-	-
Sum due to insured / policyholders on maturity or other wise	2013-14 2012-13	-	-	-	-	-	-	-	-	-
Any excess collection of the premium / tax or any other charges which is refundable to the policy holders either as terms of conditions of the policy or as per law or as may be directed by the authority but not refunded so far.	2013-14 2012-13	1,556 1,016	1,287 834	164 97	40 35	63	-	-	-	50
Cheque Issued but not encashed by the policy holder / Insured.	2013-14 2012-13	49,104 28,265	-	17,775 6,566	9,506 5,783	3,872 5,452	3,937 4,017	3,696 3,677	3,969 2,074	6,349 696

Note: Above excludes an amount of Rs. 213,678 thousand (Previous year Rs. 165,909 thousand) under ageing 1-3 months in respect of cheques issued but not encashed by the policyholders.

26. Employee Benefits

The disclosures of Employee benefits as required under Accounting Standard 15 are given below:

Defined Contribution Plan

Provident Fund

The provident fund is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities. The Company has recognized the following amounts in the Profit and Loss Account for the year:

(Rs. in '000s)

Benefit (Contribution to)	Year Ended March 31, 2014	Year Ended March 31, 2013
Provident Fund	16,808	13,686

Defined Benefit Plans:

- a) Gratuity
- b) Leave Encashment

Gratuity is payable to employees as per Payment of Gratuity Act. Leave encashment is payable to eligible employees who have earned leave during the employment and /or on separation as per the company's policy. The company makes contribution to Group Gratuity Scheme and Group Leave Encashment Scheme operated by Life Insurance Corporation of India.



Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions

a) Gratuity

i) Assumption

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Discount rate	9.31%	8.00%
Salary Escalation	6.00%	6.00%
Attrition rate	2.00%	2.00%
Expected return on plan assets	8.70%	8.70%
Mortality rate Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

ii) Change in present value of obligations

(Rs. in '000s)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Present value of obligations as at the beginning of the year	11,793	8,197
Interest cost	943	697
Current Service Cost	3,854	3,157
Benefits Paid	0	0
Actuarial loss/(gain) on obligation	(4,223)	(258)
Present value of obligations as at the end of the year	12,367	11,793

iii) Changes in the Fair Value of Assets

(Rs. in '000s)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Opening fair value of plan assets	11,303	8,439
Expected return	983	726
Contributions paid	2,037	2,864
Benefits Paid	0	0
Actuarial gains / (losses)	(43)	(726)
Closing fair value of plan assets	14,280	11,303



iv) Amount recognized in Balance Sheet

(Rs. in '000s)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Present value of obligations as at the end of the year	12,367	11,793
Present value of assets	14,280	11,303
Net Assets /(Liability) recognised in the Balance Sheet	1,913	490

v) Expenses recognized in Revenue Accounts

(Rs. in '000s)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Current Service cost	3,854	3,157
Interest Cost	943	697
Expected return on plan assets	(983)	(726)
Net Actuarial (gain) / loss recognized in the year	(4,180)	468
Expenses recognized in Revenue Accounts	(366)	3,596

vi) Experience adjustments of last five years is given below

(Rs. in '000s)

	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
Defined Benefit Obligation	12,367	11,793	8,197	4,748	3,066
Plan assets	14,280	11,303	8,439	4,503	2,330
Surplus / (Deficit)	1,913	(490)	242	(246)	(736)
Exp. Adj on Plan liability	2,528	1,026	768	3,594	18
Exp. Adj on Plan Assets	(43)	(726)	558	(525)	17

b) Leave Encashment

i) Assumption

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Discount rate	9.31%	8.00%
Salary Escalation	6.00%	6.00%
Attrition rate	2.00%	2.00%
Expected return on plan assets	8.70%	8.70%
Mortality rate table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate



ii) Change in present value of obligations

(Rs. in '000s)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Obligations as at the beginning of the year	9,422	8,478
Interest cost	754	721
Current Service Cost	1,924	2,216
Past Service Cost	0	0
Actuarial gain / (loss) on obligation	(3,121)	(1,993)
Benefit Paid	0	0
Projected Benefit Obligation at the end of the period	8,979	9,422

iii) Changes in the Fair Value of Assets

(Rs. in '000s)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Opening fair value of plan assets	5,328	5,328
Expected return	464	458
Contributions paid	0	0
Benefits Paid	0	0
Actuarial gains / (losses)	29	(458)
Closing fair value of plan assets	5,821	5,328

iv) Amount recognized in Balance Sheet

(Rs. in '000s)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Present value of obligations as at the end of the year	8,979	9,422
Present value of assets	5,821	5,328
Net Liability recognized in the Balance Sheet	3,157	4,094

v) Expenses recognized in Revenue Accounts

(Rs. in '000s)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Current Service cost	1,924	2,216
Interest Cost	754	720
Expected return on plan assets	(464)	(458)
Net Actuarial (gain) / loss recognized in the year	(3,150)	(1,534)
Expenses to be recognized in Revenue Accounts	(936)	944



27. Allocation of expenses

Hitherto, the operating expenses including depreciation which are not directly identifiable have been allocated to various segments based on gross written premium in each business class. Pursuant to the Master Circular no. IRDA/F&I/CIR/F&A/231/10/2012 dated October 5th, 2012 and Corrigendum on Master Circular No. IRDA/F&A/CIR/DF/126/07/2013 dated July 3rd, 2013, the same are now allocated on the basis of net premium in each business class. The consequent impact of the above change in the operating results for major classes of business segment for the year ended March 31, 2014 are as under:-

- a. Operating profit from Fire business is higher by Rs. 81,508 thousands.
- b. Operating loss from Marine business is lower by Rs. 32,331 thousands.
- c. Operating loss from Miscellaneous business is higher by Rs. 113,839 thousands.

However, there is no impact of above changes on the profits of the company for the year ended March 31, 2014.

28. Outsourcing, business development and marketing support expenses

(Rs. in '000s)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Outsourcing expenses	265,856	215,212
Business development	245,849	244,644
Marketing support	140,951	103,039

29. Micro and Small scale business entities

There is no Micro, Small & Medium enterprises to which the company owes dues, which are outstanding for more than 45 days as at 31 March 2014. This information as required to be disclosed under Micro, small & medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

30. In view of the management, there is no primary evidence of impairment in the carrying amount of its fixed assets. Accordingly, no detailed exercise has been carried to find out the impairment on assets, if any, as per the provisions of Accounting Standard 28 issued by ICAI.

31. Disclosures of various penal actions taken by various Government Authorities.

Sr No.	Authority	Year	Non-Compliance/ Violation	(Rs. in '000s)		
				Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	2013-14	NIL	0	0	0
		2012-13	NIL	0	0	0
2	Service Tax Authorities	2013-14	1	28.8	28.8	0
		2012-13	NIL	0	0	0
3	Income Tax Authorities	2013-14	NIL	0	0	0
		2012-13	NIL	0	0	0
4	Any other Tax Authorities	2013-14	NIL	0	0	0
		2012-13	NIL	0	0	0
5	Enforcement Directorate/ Adjudicating Authority / Tribunal or any Authority under FEMA	2013-14	NIL	0	0	0
		2012-13	NIL	0	0	0
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies 1956	2013-14	NIL	0	0	0
		2012-13	NIL	0	0	0



Sr No.	Authority	Year	Non-Compliance/Violation	(Rs. in '000s)		
				Penalty Awarded	Penalty Paid	Penalty Waived/Reduced
7	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	2013-14	NIL	0	0	0
		2012-13	NIL	0	0	0
8	Securities and Exchange Board of India	2013-14	NA	NA	NA	NA
		2012-13	NA	NA	NA	NA
9	Competition Commission of India	2013-14	NIL	0	0	0
		2012-13	NIL	0	0	0
10	Any other Central / State / Local Government / Statutory Authority	2013-14	1	7.0	7.0	0
		2012-13	NIL	0	0	0

32. Previous year's figures have been regrouped, rearranged wherever possible and wherever necessary to make them comparable with those of the current year. The summary of other amounts of the previous year which have been regrouped is as follows.

Amount in Rs. ('000s)

Sr. No.	Schedule	Particulars	Reported in Previous Year	Previous Year Figures reported in Current year	Difference	Reason
1	8	Debentures / Bonds (Long Term)	-	5,01,480	(5,01,480)	Reclassifications of Approved Investment from Investments in Infrastructure and Social Sector to Debentures / Bonds
2	8	Investments in Infrastructure and Social Sector (Long Term)	5,01,480	-	5,01,480	
3	8	Debentures / Bonds (Short Term)	-	99,962	(99,962)	Reclassifications of Approved Investment from Investments in Infrastructure and Social Sector to Debentures / Bonds
4	8	Investments in Infrastructure and Social Sector (Short Term)	99,962	-	99,962	
5	12	Current Liability (Agents' Balances)	2,335	-	(2,335)	Reclassifications of Agent debit Balances are done for better presentations.
6	13	Advances and Other Assets (Agents' Balances)	-	2,335	2,335	
7	13	Unallocated Premium	1,016	-	(1,016)	Reclassifications of Excess Collection Refund Balances are done for better presentations.
8	13	Unclaimed amount of Policyholders	-	1,016	1,016	



33. Summary of Financial Statements

Sr. No.	Particulars	2013-14 (Rs. in Lakhs)	2012-13 (Rs. in Lakhs)	2011-12 (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
OPERATING RESULTS						
1	Gross Direct Premiums	54,045	53,435	40,458	29,910	18,928
2	Net Earned Premium #	41,194	34,131	24,654	19,275	7,524
3	Income from Investments (net) @	5,425	4,136	1,681	1,346	505
4	Other Income					
	Others - Miscellaneous Income	14	6	4	47	102
5	Total Income	46,633	38,273	26,339	20,668	8,131
6	Commissions (Net) (Including Brokerage)	1,977	2,105	856	769	685
7	Operating Expenses	15,028	14,421	13,338	11,673	8,360
8	Net Incurred Claims	30,543	24,683	21,731	14,386	5,749
9	Change in Unexpired Risk Reserve	(1,065)	(7,329)	(5,518)	(3,291)	(7,293)
10	Operating Profit / (Loss)	(915)	(2,936)	(9,586)	(6,160)	(6,663)
NON-OPERATING RESULTS						
11	Total Income under shareholders' account	1,940	1,937	985	1,109	1,309
12	Profit / (Loss) before tax	1,025	(999)	(8,602)	(5,051)	(5,354)
13	Provision for tax	60	(332)	(736)	73	(146)
14	Profit / (Loss) after tax	965	(667)	(7,866)	(5,124)	(5,208)
MISCELLANEOUS						
15	Policyholders' Account :					
	Total Funds	-	-	-	-	-
	Total Investments	-	-	-	-	-
	Yield on Investments*	-	-	-	-	-
16	Shareholders' Account:					
	Total Funds	43,571	43,319	43,429	23,387	23,574
	Total Investments	88,952	77,457	40,700	32,964	25,814
	Yield on Investments*	8.74%	8.88%	7.28%	8.06%	7.73%
17	Paid up equity capital (including share premium)	43,580	43,580	43,580	23,580	23,580
18	Net Worth	24,212	23,247	23,914	11,780	16,904
19	Total Assets	43,571	43,319	43,429	23,387	23,574
20	Yield on Total Investments	8.74%	8.88%	7.28%	8.06%	7.73%
21	Earnings per share (Rs.)					
	Basic	0.28	(0.19)	(5.21)	(3.42)	(3.47)
	Diluted	0.28	(0.19)	(5.21)	(3.42)	(3.47)
22	Book Value per share (Rs.)	6.92	6.64	6.83	7.85	11.27
23	Total Dividend	-	-	-	-	-
24	Dividend per share (Rs.)	-	-	-	-	-

Note: The Company has received the IRDA Registration No. 134, dated November 16, 2007

Net of reinsurance

@ Net of Losses

* Yield on investment includes return on Fixed Deposits forming part of Investment



34. Analytical Ratios for the year ended March 31, 2014

Sr. No.	Performance Ratio	Ratios for the year ended March 31, 2014				Ratios for the year ended March 31, 2013				Basis
		Fire	Marine	Miscellaneous	Total	Fire	Marine	Miscellaneous	Total	
1	Gross Direct Premium (GDPI) Growth rate *									(GDPI (Current Year)- GDPI (Previous Year)) / GDPI (Previous Year)
a	Indian Operations	18.64%	21.46%	-3.25%	1.14%	16.88%	68.07%	34.76%	32.07%	
b	Foreign Operations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
2	Gross Direct Premium to Networth ratio	0.44	0.08	1.71	2.23	0.39	0.06	1.85	2.30	GDPI/ Net worth of Current year
3	Growth rate of Networth				4.15%					[Net worth of Current Year - Net worth of Previous Year] / Net Worth - Previous Year
4	Net Retention ratio *									Net Premium / (Gross Direct Premium Income + Reinsurance Accepted)
a	Indian Operations	54.16%	28.10%	85.59%	77.23%	47.43%	27.75%	84.53%	76.22%	
b	Foreign Operations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
5	Net Commission ratio *									Net Commission / Net Written Premium
a	Indian Operations	1.84%	-24.28%	5.58%	4.68%	2.22%	-16.52%	5.69%	5.08%	
b	Foreign Operations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
6	Expenses of Management to Gross Direct Premium Ratio	28.58%	17.57%	37.76%	35.26%	27.06%	20.27%	36.05%	34.09%	Expenses of Management / GDPI
7	Expenses of Management to Net Written Premium Ratio	50.33%	62.54%	43.96%	45.10%	52.09%	73.03%	42.55%	43.93%	Expenses of Management/ NWPI
8	Net Incurred Claims to Net Earned Premium	41.56%	101.37%	77.85%	74.14%	27.52%	197.55%	75.70%	71.37%	Net Incurred Claims / Net Earned Premium
9	Combined ratio									(Net Incurred Claims / Net Earned Premium) + (Expenses of management (including net commission) / Net written premium)
a	Indian Operations	78.93%	112.64%	118.97%	114.36%	64.50%	215.80%	116.16%	111.21%	
b	Foreign Operations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
10	Technical Reserves to Net Premium ratio	1.35	2.21	1.74	1.69	1.25	2.35	1.46	1.45	(URR + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER) / Net Premium
11	Underwriting balance ratio	0.08	(0.15)	(0.18)	(0.15)	0.25	(1.31)	(0.24)	(0.20)	(Underwriting profit/ loss)/ Net Earned premium
12	Operating profit ratio	20.69%	5.51%	-5.14%	-2.22%	15.16%	-360.78%	-8.80%	-8.60%	(Underwriting profit / Loss + Investment Income of policy holders' funds) / Net Earned premium
13	Liquid Assets to Liabilities ratio				0.35				0.34	Liquid Assets/ Policyholders liabilities
14	Net Earnings ratio				2.28%				-1.61%	Net profit after tax / Net premium
15	Return on Net worth				3.98%				-2.87%	Net profit after tax / Net worth
16	Available Solvency Margin Ratio to Required Solvency Margin Ratio				1.91				2.38	
17	NPA Ratio				-				-	

* Kindly refer to the Annexure 34 a for Segment wise reporting of these ratios

Note:

Ratios are computed as per definition laid down by IRDA master circular dated October 5,2012 and corrigendum on master circular dated July 3,2013

1. GDPI = Premium from direct business written, NWP = Net written premium
2. Shareholders' funds/ Net worth = (Share capital + Reserve & Surplus) - (Miscellaneous expenditure - Debit balance in profit & loss account)
3. Expenses of management = Commission paid-direct + Operation expenses related to insurance business
4. Liquid asset= Short term investments + Cash and bank balances
5. Policyholders liabilities = Claim outstanding (to be discharged in 12 months) + Reserve for unexpired risk + Reserve for premium deficiency
6. Underwriting profit/ (loss) = Net premium earned - Net claims incurred - Net commission-Operating expenses

Signatures to Schedules 1 to 16

For Rajendra K. Goel & Co.
Chartered Accountants
Sd/-
R. K. Goel
Partner
Membership No. 006154
Firm Reg. No.001457N

For Ramesh C. Agrawal & Co.
Chartered Accountants
Sd/-
R. C. Agrawal
Partner
Membership No. 070229
Firm Reg. No.001770C

For and on behalf of the Board of Directors
Sd/-
O. N. Singh
Executive Chairman
Sd/-
Taketoshi Nagaoka
Managing Director

Sd/-
C. R. Muralidharan
Director
Sd/-
Sarvesh Agrawal
Chief Financial Officer
Sd/-
Shilpa Mantri
Company Secretary

**34 a. Annexure - Analytical Ratios for the year ended March 31, 2014**

Sr. No.	Performance Ratio	Ratios for the year ended March 31, 2014		Ratios for the year ended March 31, 2013		Basis
		Indian Operations	Foreign Operations	Indian Operations	Foreign Operations	
1	Gross Direct Premium Growth rate (Segment Wise)					(GDPI (Current Year) - GDPI (Previous Year)) / GDPI (Previous Year)
	Fire	18.64%	0.00%	16.88%	0.00%	
	Marine	21.46%	0.00%	68.07%	0.00%	
	Marine Hull	0.00%	0.00%	0.00%	0.00%	
	Motor OD	-14.40%	0.00%	17.24%	0.00%	
	Motor TP	-27.11%	0.00%	63.70%	0.00%	
	Workmen's Compensation	-11.06%	0.00%	10.18%	0.00%	
	Personal Accident	37.41%	0.00%	8.51%	0.00%	
	Health Insurance	55.83%	0.00%	55.68%	0.00%	
	Liability	-59.78%	0.00%	85.88%	0.00%	
	Engineering	56.28%	0.00%	27.72%	0.00%	
	Aviation	281.08%	0.00%	0.00%	0.00%	
	Trade Credit	-44.98%	0.00%	80.20%	0.00%	
	Others	10.36%	0.00%	22.44%	0.00%	
	Total	1.14%	0.00%	32.07%	0.00%	
2	Net Retention ratio (Segment Wise)					Net Premium / (Gross Direct Premium Income + Reinsurance Accepted)
	Fire	54.16%	0.00%	47.43%	0.00%	
	Marine	28.10%	0.00%	27.75%	0.00%	
	Marine Hull	0.00%	0.00%	0.00%	0.00%	
	Motor OD	93.87%	0.00%	89.57%	0.00%	
	Motor TP	94.05%	0.00%	89.48%	0.00%	
	Workmen's Compensation	95.00%	0.00%	88.35%	0.00%	
	Personal Accident	67.52%	0.00%	68.42%	0.00%	
	Health Insurance	87.50%	0.00%	90.20%	0.00%	
	Liability	61.24%	0.00%	53.27%	0.00%	
	Engineering	35.04%	0.00%	48.80%	0.00%	
	Aviation	12.95%	0.00%	6.03%	0.00%	
	Trade Credit	13.07%	0.00%	0.02%	0.00%	
	Others	72.06%	0.00%	65.84%	0.00%	
	Total	77.23%	0.00%	76.22%	0.00%	
3	Net Commission ratio (Segment Wise)					Net Commission / Net Written Premium
	Fire	1.84%	0.00%	2.22%	0.00%	
	Marine	-24.28%	0.00%	-16.52%	0.00%	
	Marine Hull	0.00%	0.00%	0.00%	0.00%	
	Motor OD	6.35%	0.00%	7.11%	0.00%	
	Motor TP	0.00%	0.00%	0.00%	0.00%	
	Workmen's Compensation	8.53%	0.00%	7.95%	0.00%	
	Personal Accident	10.86%	0.00%	10.90%	0.00%	
	Health Insurance	9.72%	0.00%	10.73%	0.00%	
	Liability	8.21%	0.00%	10.64%	0.00%	
	Engineering	-19.19%	0.00%	-9.35%	0.00%	
	Aviation	-26.46%	0.00%	-24.88%	0.00%	
	Trade Credit	387.83%	0.00%	-48427.50%	0.00%	
	Others	10.55%	0.00%	13.35%	0.00%	
	Total	4.68%	0.00%	5.08%	0.00%	



Universal Sompo General Insurance Co. Ltd.

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 134, dated November 16, 2007

Receipts and payments account for the year ended March 31, 2014

	(Rs. in '000s)	(Rs. in '000s)
	Year Ended March 31, 2014	Year Ended March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Premium received from policyholders, including advance receipts (including service tax)	5,999,315	6,250,514
Other receipts	-	270
Payments to re-insurers, net of commissions and claims (including service tax)	(45,171)	767,724
Payments to the Co-insurers, net of claims recovery	(34,516)	(25,060)
Payments of claims	(2,574,714)	(3,418,428)
Payments of commission and brokerage (including service tax)	(419,320)	(379,742)
Payments of other operating expenses	(1,287,323)	(1,158,165)
Preliminary and pre-operative expenses	-	-
Deposits, advances and staff loans	(15,137)	(177)
Income tax paid (net)	(82)	1,410
Service tax Paid (net)	(920,850)	(719,503)
Other payments	8,219	5,704
Cash flows before extraordinary items	710,421	1,324,547
Cash flows from extraordinary items	-	-
Net cash from Operating activities	710,421	1,324,547
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(70,583)	(26,405)
Proceeds from sale of fixed assets	-	-
Purchases of investments	(1,135,118)	(3,679,556)
Loans disbursed	-	-
Sales of investments	-	-
Repayments received	-	-
Rents / Interests / Dividends received	636,187	422,514
Investments in money market instruments and in liquid mutual funds (net)	-	-
Expenses related to investments	-	-
Time Deposits placed with Scheduled Banks	-	-
Advances given for fixed assets	(12,308)	(686)
Net cash used in Investing activities	(581,822)	(3,284,133)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including share premium)	-	-
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest / dividends paid	-	-
Net cash from Financing activities	-	-
Effect of foreign exchange rates on cash and cash equivalents, net	-	-
Net increase in cash and cash equivalents	128,599	(1,959,586)
Cash and cash equivalents at the beginning of year	192,224	2,151,810
Cash and cash equivalents at the end of year	320,823	192,224

This is the Receipts and Payments Account referred to in our report of even date

For Rajendra K. Goel & Co. For Ramesh C. Agrawal & Co. For and on behalf of the Board of Directors

Chartered Accountants Chartered Accountants
Sd/- Sd/-
R. K. Goel **R. C. Agrawal**
Partner Partner
Membership No. 006154 Membership No. 070229
Firm Reg. No.001457N Firm Reg. No.001770C

Sd/- Sd/-
O. N. Singh **C. R. Muralidharan**
Executive Chairman Director
Sd/- Sd/-
Taketoshi Nagaoka **Sarvesh Agrawal**
Managing Director Chief Financial Officer
Sd/- Sd/-
Shilpa Mantri Company Secretary

Place: Mumbai
Date: 21st June 2014



Universal Sompo General Insurance Co. Ltd.

NOTE



24X7 Road Assistance



Depreciation Waiver



Daily Cash Allowance



Accident hospitalization

MOTOR INSURANCE POLICY

Aapka sacchha dost!

**YOUR VEHICLE UNDER
*Special Protection***



**Universal Sompo
General Insurance Co. Ltd.**
Suraksha, Hamesha Aapke Saath

A joint venture of Allahabad Bank ★ Indian Overseas Bank
★ Karnataka Bank Ltd. ★ Dabur Investment Corp. ★ Sompo Japan Insurance Inc.

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★ **Dabur Investment Corp.** ★ **Sompo Japan Insurance Inc.**

Regd Office: Universal Sompo General Insurance Co. Ltd.

Unit No 401, 4th floor, Sangam Complex, 127, Andheri Kurla Road, Andheri (E),
Mumbai - 400 059

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