



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

# Leadership Through Customer Centricity



ANNUAL REPORT  
**2016-17**



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

Secure your family's  
**“health”**  
with health insurance



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- **Maternity /OPD/HIV/AYUSH also covered**

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

ENG/CHI/AR/063/AUG2017 | IRDAI 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@universalsampo.com](mailto:contactus@universalsampo.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. IRDAI or its officials do not involve in activities like sale of any kind of insurance or financial products nor invest premiums. IRDAI 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. UIN# IRDA/NL-HLT/USGI/P-H/V.I/221/13-14

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## 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

## AUDIT COMMITTEE

Mr. Ashok Kumar Roy - Chairman

Mr. Yuji Kawauchi - Member

Mr. Sandip Ghose - Member

Mr. O. N. Singh - Member

Mr. Mohit Burman - Member

Mr. Ram Niwas Jain - Member

## KEY PERSONNEL

Mr. O. N. Singh - Chairman

Mr. Bisheshwari Singh - CMO

Mr. Sarvesh Agrawal - CFO

Mr. Hareshwar Karekar - CIO

Mr. Nirmal Bhattacharya - Head Commercial UW

Mr. V. V. Vendhen - Head Banca

Mr. Vikas Mathur - Head Health

Mr. Virendra Kumar Ghotia - Head Admin

Ms. Bhakti Dalbhide - Head Internal Auditor & CISO

Mr. Rajiv Kumar - MD & CEO

Mr. Tanmaya Kumar Panda - Head HR

Mr. Ashwani Gaba - Head Claims

Mr. Arun Singh Bhadauria - Head Motor

Mr. Shib Shankar Saha - Head Reinsurance

Mr. Ravindra Deshpande - Head IT

Mr. Ranjan Sinha - Head Legal and

Chief Compliance Officer

Ms. Shilpa Mantri - Company Secretary

## STATUTORY AUDITORS

M/s. V. K. Jindal & Co.

Chartered Accountants

M/s. Ramesh C. Agrawal & Co.

Chartered Accountants

## ACTUARY

Mr. Yogesh Agarwal - Appointed Actuary

Mr. G. N. Agarwal - Mentor to Appointed Actuary

# BOARD OF DIRECTORS



**Mr. N. K. Sahoo**  
Non- Executive Director



**Mr. Mohit Burman**  
Non- Executive Director



**Mr. O. N. Singh**  
CHAIRMAN



**Mr. Jayarama Bhat**  
Non- Executive Director



**Mr. Yuji Kawauchi**  
Non- Executive Director



**Ms. Radha Venkatakrishnan**  
Non- Executive Director

# BOARD OF DIRECTORS



**Mr. Keita Hashiba**  
Non- Executive Director



**Mr. Kuniaki Takahashi**  
Non- Executive Director



**Mr. Rajiv Kumar**  
MD & CEO



**Mr. Ashok Kumar Roy**  
Independent Director  
(Upto 04/06/2017)



**Mr. Ram Niwas Jain**  
Independent Director



**Mr. Sandip Ghose**  
Independent Director



**Mr. Katsuyuki Tajiri**  
Alternate Director  
Mr. Yuji Kawauchi

# Awards & Recognition

Awards won by Universal Sampo General Insurance in 2016-17



Universal Sampo General Insurance Company Ltd- recently had participated in **International Agricultural Trade Fair-Krishithon 2016**.

Universal Sampo is the first Indian General insurance company, who has chosen this platform to resolve the queries and doubts of rural areas people about insurance products which we sell through CSC (Common Service Centre) channel.

Universal Sampo honoured with Appreciation certificate for initiatives taken for welfare of society.

Universal Sampo General Insurance being bestowed with **“Skoch Order-of-Merit 2016”** award by the SKOCH Group for an exemplary work done by the organization in “Extending insurance benefits via Common Service Centers”.

Universal Sampo General Insurance was adjudged the winner for the “Top 100 Projects in India for the year 2016”. The award reinforces our commitment to our customers about providing product solutions through robust and seamless channels.



Universal Sampo General Insurance being bestowed with **BFSI-Personal Line Broking Initiative of year** which was presented by ABP News Channel for an exemplary work done by the organization in “Extending Insurance benefits via Common Service Centers”

The Award reinforces our commitment to our customers about providing product solutions through robust and seamless channels.





Universal Sompo won the award in **“Fintelekt-Insurance Awards 2017”** for the leadership in claim service in General Insurance industry for the financial year 2016-17.

The award honoured to the company for maintained the highest levels of client service, satisfaction and focus in claims handling in the fiscal year 2016-17, which has demonstrated overall leadership and commitment to effective and speedy claims settlement.

Universal Sompo General insurance Co. Ltd won the prestigious award of **“Best Customer Service Provider of the Year’ 2016”**- at the 2nd Annual India Insurance summit & Awards held in Mumbai.

The Customer Service provider of the year award was categorized on customer service personnel, response rate, innovation in servicing customers and financial implications.



## BOARDS' REPORT

To the Members of

**UNIVERSAL SOMPO GENERAL INSURANCE CO. LTD.**

Your Directors have pleasure in presenting the Boards' Report together with the Audited Statements of Accounts for the year ended 31st March, 2017.

### Economic Scenario

The Financial Year ended 31st March, 2017 was a landmark one for the Indian economy with major events namely clearance of GST Bill and demonetization of large notes taking place during the year. The domestic factors such as GST bill, 7th pay commission alongside good monsoon and Global macro-economic factors such as rise in commodity prices, benign crude price, etc. boosted the investor sentiments resulting in the markets (Nifty) achieving 18 months high level of 8943 in September 2016.

The demonetization resulted in volatility in the economy and the markets corrected sharply. However, the victory of Donald Trump in US elections followed by victory of the ruling party in India in assembly elections, the markets reached a fresh all-time high and closed the year at (Nifty) 9168 with a return of 18.54%. Another key factor supporting the market was liquidity from domestic as well as foreign investors wherein the FII inflow for the year was ₹ 55,000 Cr. for equity markets.

The demonetization resulted in liquidity surplus of ₹ 3.5 to 4 lakh Cr. and the 10 year G-Sec yield went to all-time low of 6.10% and closed at 6.66% as on 31st March 2017. During the year, the CPI inflation (4.5% for FY2016-17) remained below RBI's target zone of 5% however stickiness of core inflation, rising commodity prices and concerned over geopolitical tension has warranted RBI to change its policy stance from accommodative to neutral. A hawkish commentary from the US Federal Reserve and increase in interest rates (both present in FY2017 and proposed in FY2018) created a bearish outlook in the bond market for FY2017-18.

### Industry Developments

The General Insurance Industry in India operated with 30 Companies for the FY2016-17, including the 4 Public Sector General Insurance Companies, 6 Standalone Health Insurers and 2 Specialized Insurers i.e. ECGC & AIC. Aditya Birla has been the new entrant in General Insurance Industry in India in FY2016-17.

Universal Sampo General Insurance Company has grown at a respectable level in FY2016-17. The Company has achieved gross written premium worth ₹ 1287.23 Cr with a tremendous growth rate of 42.43% as compared to previous fiscal. Your Company has achieved an all-time high top line more than ₹ 1,000 Cr in FY2016-17 and remains one of the profitable insurers, which is essential for ensuring security for the policyholders.

As per the predefined strategy of Universal Sampo General Insurance Company, Your Company has first time acquired more than 1% market share in FY2016-17.

Market Segment	Premium (in ₹ Cr)		Market Share	Growth
	FY2015-16	FY2016-17	FY2016-17	FY2016-17
Private Sector Insurers	43,855.97	59,601.15	46.70%	35.90%
Public Sector Insurers	52,520.52	68,029.87	53.30%	29.53%
Industry	96,376.49	127,631.02	100.00%	32.43%
USGI	903.79	1287.23	1.01%	42.43%

Source-Segment wise data compiled by GI Council as on March for FY2016-17

General Insurance Industry also for the first time has crossed milestone of 1 Lakh-Crore premium mark with tremendous premium growth rate of 32.43% in FY2016-17 as compared to the premium growth rate of 13.84% in FY2015-16. General Insurance industry in India has collected the Gross Written Premium of ₹ 1,27,631 Cr in FY 2016-17 as compared to premium collection of ₹ 96,376 Cr in the previous Financial Year. Premium Growth of 32.43% in General Insurance Industry is on account of Premium from Motor line of business along with tremendous growth in Crop Insurance - Pradhan Mantri Fasal Bima Yojana (PMFBY) (Crop Growth Rate of the Industry- 288.16%).

Industry Crop premium has increased from ₹ 5,310.06 Cr in FY2015-16 to ₹ 20,611.42 Cr in FY2016-17 on account of Pradhan Mantri Fasal Bima Yojana (PMFBY) and it has become the 3rd largest contributing line of business in FY2016-17 with a contribution of 16.15% of total General Insurance Industry premium. Premium growth from Motor segment has also increased to 16.63% due to increase in Motor Third Party rates and improved vehicle sales in Automobile Industry. General insurance industry premium has shown tremendous growth by Government schemes like Pradhan Mantri Suraksha Bima Yojana (PMSBY) / Pradhan Mantri Fasal Bima Yojana (PMFBY) etc. in FY2016-17. Public Sector Insurers continue to dominate with market share of 53.30% in general insurance industry premium collections in FY2016-17. Private Sector Insurers contributed 46.70% market share in Industries premium collection of ₹ 1.27 Lakh Cr in FY2016-17.

Your Company has achieved growth rate of 24.34% in motor vertical, while the industry's motor growth rate stood at around 18% in FY2016-17. USGIC has remained as a preferred partner of Maruti Suzuki India by exhibiting the best in class in terms of customer service. Your Company has also been a preferred partner of Suzuki Motor Cycle India, besides the exhibiting tie up with Honda Cars India.

Your Company has issued 10,28,278 policies in FY2016-17 covering a total customer base of more than 1.10 Cr of which 10,81,271 number of farmers are covered under Pradhan Mantri Fasal Bima Yojana (PMFBY) scheme in 20 districts of Karnataka State with premium of more than 500 Cr & 46,32,223 members are covered under Pradhan Mantri Suraksha Bima Yojana (PMSBY). Your Company has also issued 6, 12,863 certificates to customers of Karnataka Bank for Personal Accident cover in FY2016-17.

With increasing internet penetration and number of internet users, USGIC has tied up with 10 Web aggregators which have procured ₹ 9.48 Cr of premium with more than 100% growth rate in FY2016-17.

Your Company has maintained an upward momentum to capitalize the huge potential of Business through Common Service Centers (CSC) with registered CSC channel premium with 100% growth rate in FY2016-17.

#### Financial Summary For FY2016-17

Particulars	FY2016-17 (₹ in millions)	FY2015-16 (₹ in millions)
<b>Gross Direct Premium</b>	<b>12,872.3</b>	<b>9,037.9</b>
Reinsurance Accepted	36.7	-11.4
<b>Gross Written Premium</b>	<b>12,909.0</b>	<b>9,026.5</b>
Reinsurance Ceded	6,257.3	3,332.5
Net Written Premium	6,651.7	5,694.0
Unexpired Risk Reserve	27.2	388.4
<b>Net Earned Premium</b>	<b>6,624.5</b>	<b>5,305.6</b>
<b>Net Claims</b>	<b>4,697.5</b>	<b>3,756.1</b>
<b>Net Commission</b>	<b>- 14.6</b>	<b>70.7</b>
<b>Operating Expenses</b>	<b>2,309.6</b>	<b>2,035.8</b>
<b>Underwriting Result</b>	<b>-367.9</b>	<b>-557.0</b>
Investment Income - Policyholders	891.9	718.2
Other (Income) / Expenses	1.6	1.2
Interest Income From Motor Pool & Terrorism Pool	12.0	21.7
<b>Operating Profit</b>	<b>534.3</b>	<b>181.7</b>
Investment Income - Shareholders	325.1	246.4
Other (Income) / Expenses	354.9	7.8
<b>Profit Before Tax</b>	<b>504.4</b>	<b>420.3</b>
Provision for tax	14.6	-16.3
<b>Profit After Tax</b>	<b>489.8</b>	<b>436.6</b>

#### Business Operations

Your Company has achieved GWP of ₹ 1287.23 Cr as on 31st March for FY2016-17 as against ₹ 903.79 Cr as on 31st March for FY2015-16. Your Company registered a premium growth of 42.43% in FY2016-17.

Figures in ₹ Crs	FY2016-17	
	Gross Written Premium (GWP)	Premium Mix (ln%)
Engineering	9.47	0.74%
Fire	131.24	10.19%
Health & PA	111.37	8.65%
Liability	2.11	0.16%
Marine Cargo	21.87	1.70%
Crop	549.23	42.65%
Motor	392.64	30.49%
Others	69.87	5.43%
<b>Grand Total</b>	<b>1287.23</b>	<b>100.00%</b>
Growth Rate in FY2016-17 42.43%		

#### Key Regulatory Updates In FY2016-17

In FY2016-17, Indian Regulatory environment was very dynamic & Insurance Regulatory and Development Authority of India (IRDAI) have issued various Guidelines and Circulars for the growth of the industry. On one side Regulator is opening up new distribution networks such as Insurance Marketing Firm (IMF), Point of Sales (POS), Web aggregator, Common Service Center (CSC) etc. to increase penetration of insurance, on the other hand it's trying to enhance policyholder's protection through prescribed Guidelines & Circulars for insurers like Solvency Margin regulation, Assets, Liabilities, and Solvency Margin of General Insurance Business Regulations, Expenses of Management Regulation, E-COMMERCE Guidelines, Appointing Point of sales person Guidelines, Listed Indian Insurance Companies guidelines, also various regulations which are already published such as increasing the Commission pay-out to intermediaries, Order of preference of cession to accept Treaties guidelines etc. In response to the Guidelines and Circular by IRDAI, your Company has started developing Point of Sales (POS) channel and introduced products for Point of Sales (POS) channel. Your Company has already started selling products on Common Service Center (CSC) channel in FY2016-17. In response to the IRDAI's new products introduction circulars for CSC channel in FY2016-17, your company has introduced new products for CSC Channel to serve customers in rural India.

Changes in the regulatory environment are going to have path-breaking impact on the development & growth of the Insurance Industry. IRDAI introduced changes are expected to facilitate sustainable long-term growth in Insurance Industry in forthcoming period in India.

#### Marketing Updates

##### Motor Vertical

FY2016-17 witnessed an impetus towards strategizing profitable growth in Motor business. With GWP for motor LOB growing by a healthy 24.34% as compared to FY2015-16, we have been successful in pushing our Motor Business trajectory up by several notches.

The growth has been supported by a reasonable loss ratio of 70.48%, with a 15% increased contribution of OD premium comparative to the previous year, all indicating towards successful implementation of sound business strategy.

Maruti Suzuki India Ltd has continued to show its faith in us and choose to open up 5 new states to take up the total count to 13 States empanelled with our Company as one of their preferred partners for car insurance. Being the preferred insurance partner of the largest car manufacturer in India shall prove to be a benefactor in not only achieving our top lines but will also benefit our brand value.

Your Company continues to enjoy the patronage of Honda Cars India Ltd., which is aptly reflected in the robust growth of which we clocked over last year.

Your Company is also the insurance partner to Suzuki Motor Cycle India Private Ltd, one of India's leading two wheeler manufacturers. The partnership, now 2 years strong has nurtured into a mutually successful venture in terms of Insurance penetration and after

sales insurance services for Suzuki Two Wheeler owners.

Motor Segment Details (In Crs.)	Gross Written Premium	Business Mix (Overall)	Claim Ratio
Maruti Insurance Broking Pvt. Ltd.	109	8.2%	67.7%
Honda Cars	83.36	6.1%	73.1%
Motor Overall	392.63	29.7%	72.8%

With the continuous increase in the Third Party Premium Rate, opportunity in the Goods Carrying Vehicle and Passenger Service Vehicle, the strategy for the year 2017-18 is to position your Company in Commercial Vehicle Segment and to nurture the relationships to achieve profitable growth for long term.

Your Company is also making efforts to bring some more manufacturing tie ups in its fold this year to expand our operations in Insurance market. Taking all factors into consideration, it is imminent that Motor Dealer and Agency channel shall be major contributor of GWP of Motor in FY2017-18.

### Agency Channel

Your Company has focused aggressively on development of IRDAI Agency in the Financial Year 2016-17, with the sole objective of building up strong force of loyal agents with long term perspective and thereby increase the Company's presence in the market. In Financial year 2016-17, we reached a new high in terms of IRDAI agency recruitment. A total of 515 agents were appointed, enhancing the overall count to 1752 active agents, which is considerably higher than 1237 in the year 2015-16.

Initiatives were taken through special recruitment drives, where unemployed youth of rural and semi urban areas were motivated to learn and earn through Insurance marketing. With state of the art training facilities at branch and zonal levels, supported by highly skilled and experienced Insurance training panel, we successfully recruited 343 career agents, who garnered business to a tune of ₹ 73.16 lacs.

We strongly believe that the agency numbers shall reach another landmark in the financial year 2017-18, where we will recruit 1000+ agents and Point of Sales Persons, representing your Company in the Insurance market and making our presence felt.

### Digital Sales Channel

In our endeavour to keep up with the ever growing insurance market, we strived to transmit our services into the digital platform as well. Equipped with one of the fastest web integration services in the Industry, we were successfully empanelled by major Online Insurance Aggregators viz. Policy Bazaar, Bank Bazaar, My Insurance Club, Cover Fox and 20 more start-up companies for Motor and Health Insurance, who have sourced us a premium of ₹ 9.25 Cr through web sales alone.

We are highly optimistic about FY2017-18 as we acknowledge the fact that Online Insurance market has very swiftly evolved into a major platform for Insurance Business. Hence we intend to double the business through web aggregation by fostering existing relationships and tying up with even more web aggregators and service providers.

### Online Insurance

Insurance penetration using digital technology is growing tremendously year on year and your Company has also aligned itself by procuring business not only through Web Aggregator channel but also through own website. The growth of business of your Company through Web Aggregator channel has been phenomenal at more than 350%.

It is also good to note that your Company is increasing its reach by using new initiatives introduced by IRDAI in FY2016-17 like Point of Sale (POS) and Insurance Marketing Firms (IMF).

### Office Updates

In this Financial Year we have not opened any new offices however we used this period to consolidate the offices opened to ensure that the productivity is increased. Your Company has a network of 111 offices, spread through the length and breadth of the country. For our network, we have 86 branches and 17 Zonal offices which are available in all major cities in the country. We are dedicated in providing the best of service to our customers.

### Corporate Planning

Corporate Planning department of USGIC functions as a coordinating body in developing and implementing strategies to fulfill the objectives of individual departments by following Vision & Mission statements of the Company.

Corporate planning department has assisted in providing overall strategic direction to the management of the organization and has provided specific direction wherever required to achieve success & goal of the Company. Corporate Planning department has very well strategized business and planned various activities in coordination with other responsible departments.

Corporate planning department efficiently monitored and analyzed of General Insurance industry as well as your Company's business in FY2016-17. Your Company performs regular analytical assessment for industry as well as peer group and bank promoted insurer's business performances. Corporate planning department tracks all major key ratios beside their overall business performance. The department is also responsible for monitoring and keeping track of regular changes in regulatory environment of Insurance Industry and has provided inputs to the organization for regular updating.

Corporate planning department has put effort in exploiting and analyzing external market data as well as internal operational data base of the Company in order to strategize efficient business planning. Your Company has always promoted transparency & Corporate Governance, your Company always provides updated and qualitative business reports and enhanced business strategies. Corporate Planning Department always provided accurate vigorous reports & MIS to ensure on maintaining efficient growth of the Company. The department has also advocated for better monitoring & control, formulated effective strategies to achieve targeted goals in FY2016-17.

- In FY2016-17, the Company has been focusing more on individual policies rather than the corporate and group health policies in health segment. Your Company has more than 4000 hospitals on its panel



to extend cashless service as well as the Company has been able to make tremendous reach through the Bancassurance channel for sourcing business.

- Your Company has forayed into Karnataka State for extending Pradhan Mantri Fasal Bima Yojana (PMFBY)- CROP insurance in FY2016-17. In FY2016-17, IRDAI has allowed to issue crop insurance policies- Pradhan Mantri Fasal Bima Yojana (PMFBY) via new channels – CSC & POS. In FY2016-17, your Company has approved products to sell via these channels in order to tap the potential to reach the rural areas of the country. Your Company also have unified package insurance scheme and farmers package policy which covers all assets of the farmers such as crop, dwelling and its contents both against fire and theft and the assets which help the farmer in earning his/her livelihood .
- Your Company focused on procuring business from OEM tie ups from profitable geographies in FY2016-17. Your Company always paid attention towards serving customers on various parameters and always been the top performer in customer service for Maruti Insurance Brokers Limited (MIBL) throughout the FY2016-17.
- Considering change in buying behavior of the potential customers towards online buying as well as increasing internet penetration, your Company has tied up new 10 licensed Web aggregators and procured noticeable business with high growth rate in FY2016-17.
- IRDAI has introduced Common Service Centre (CSC) as new distribution channel to increase the penetration level by selling standard products which could be easily sold in rural areas. For leveraging this new distribution channel your Company has introduced 2 more new products namely, CSC – Motor Private Car & Two Wheeler Insurance Policy to tap rural potential with existing products. Your Company is the first general insurance Company in India which has introduced cattle insurance to rural household via common service centers.
- In order to understand queries of the CSC- Rural Authorized Persons (RAP) & Display products to potential customers, your Company has participated in International Agricultural Trade Fair-Krishithon at Nasik to scale up the business from this channel in FY2016-17. Organizers of the International Agricultural Trade Fair-Krishithon have awarded Certificate of Appreciations to your Company in FY2016-17.
- Your Company has given special attention towards agency channel expansion in FY2016-17. Your Company has launched “Special Career Agents Recruitment Drive” at selected zones to recruit new Agents.

By following above main strategies your Company has achieved premium of ₹ 1287.23 Cr with 42.43% of growth rate in FY2016-17. We take pride in stating that your Company is one of the profitable insurers in India. In forthcoming years, we plan to be more customer centric with upward premium growth and maintain profitability of the Company.

#### Rural & Social Sector Obligations

The Company has complied with the obligations as per IRDAI (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 for FY2016-17 is given below:

Business Sector	FY2016-17		FY2015-16	
	GWP (A)	% of GWP	GWP (B)	% of GWP
	(₹. in '000s)		(₹. in '000s)	
Rural Sector	53,84,985	41.83%	23,23,427	25.71%
Urban Sector	74,87,304	58.17%	67,14,381	74.29%
USGI	1,28,72,305	100.00%	90,37,875	100.00%

Figures are in "000"

Business Sector	Year	Total Business in Preceding Financial Year(A)	Number of lives covered under Social Sector in the FY for which figures are reported	Social sector premium as % to Column 3 (A)
Social Sector	FY2015-16	64,15,478	6,06,154	9.45%
	FY2016-17	63,30,615	24,03,790	37.97%

#### Policy Processing Centre – Operations

Your Company has a centralized policy processing centre. The centre maintained its high efficiency at 100% policy issuance during FY2016-17 by adopting standardized measures for policy processing & issuance on pan India basis. The Company has issued 10,28,278 policies in FY2016-17 compared to 10,16,455 policies issued in FY2015-16 registering growth of 1.16% in policy documentation. Out of total policies 59.87% of policies have been issued to BANCA partners of the Company.

Description	Allahabad Bank	Indian Overseas Bank	Karnataka Bank Ltd.	Other Business Channels of USGI	Total
Policies Received	284,359	210,882	120,428	412,609	10,28,278
Policies Issued	284,359	210,882	120,428	412,609	10,28,278
Pending as on 31.03.2017	-	-	-	-	-
Documents Issuance Ratio -%	100	100	100	100	100

Your Company has taken several initiatives to enhance the efficiency of operation procedure for serving the customer in the best possible way. On regards to it your Company has provided following implications in FY2016-17.

- **Monthly policy copy dispatch of each corporate agent's Branch** which facilitate to reconcile monthly business of each branch and share the policy copy



with customer if any complaint received at branch level.

- **E-print application for corporate agents:** using this application, corporate agents / Bank Partners can view and print all the issued policies as per customer requirement.
- **Service Calls to our partner Bank branches for close coordination:** to understand ground issues and raise service level standards. Direct contact of processing team with bank branch will help to have complete tracking.
- **USGIC Retail Health UW application:** your Company has implemented retail Health UW system which is web based application developed to be used by USGI branches, underwriters and tied up diagnostic centres/hospitals.
- **Electronic Insurance Accounts:** As per IRDAI guidelines your Company has started to provide Electronic Insurance Accounts to our pre -existing and new customers.
- **E-PAY:** Email Payment Service is an additional facility which Bill-desk is providing to us through which we are sending payment link to customer's email ID of the specific amount which we require.

### 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 which now operates 24x7 ensures that all queries, requests, claim intimations, policy endorsement request complaints and grievances including escalations to IRDAI are responded to ensure that client's grievances are converted from brickbats to bouquets.

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

Summary of IRDAI and Direct Complaints Received at USGIC for the FY 2016-17						
Complaint Type	Reported	Resolved	Pending	Escalated	Re Open	Acknowledged
IRDAI	177	177	0	0	0	0
USGIC	355	355	0	0	0	0
GRAND TOTAL	532	532	0	0	0	0

Status on Complaints in IGMS		
Status	No. of Complaints	Percent
CLOSED	434	81.58%
ATTENDED TOO	98	18.42%
TOTAL	532	

Resolution TAT	FY2016 -2017	Resolution %
1-7 days	531	99.81%
8-14 days	1	0.19%
15 - 21 days	0	0.00%
Grand Total	532	100.00%

Your Company has successfully completed online registration for Redressal of Public Grievances at National Consumer Helpline and also operates the PGportal, where Ministry of Finance, GOI has permitted PGportal access.

Complaint Type	Reported	Resolved	Pending
National Consumer Helpline	26	26	0
Grand Total	26	26	0

Complaint Type	Reported	Resolved	Pending
Public Grievance Portal	13	13	0
Grand Total	13	13	0

USGIC have been sending Customer Satisfaction Feedback forms to the insured and also started to send customer satisfaction feedback forms for In house claims data every fortnightly, to understand how satisfied our policy holders with our services are and also to understand their requirements. This process also gives the customer the perception that the Company values them and is committed to keeping them as a long-term customer and bases business decisions on their feedback and also help us to enhance our services even better and to keep our customers more happy and confident.

Your Company has also being following the directives of IRDAI in submitting the following reports on monthly basis;

- Monthly Statement on weekly review of grievances handled by our MD & CEO under PRAGATI.
- Monthly reporting of complaints along with VIP complaints (Complaints received from PGportal) received at USGIC in the prescribed formats as requested by IRDAI.

### Product Development

The FY2016-17 had been pronounced for the Company, in terms of receiving the approvals for new products from Authority.

Approvals received for FY2016-17:-

Full Fledged products	Product - Add Ons	Product - Certifications
4 Approved	4 Approved	17 Approved

Under Circulars/Guidelines/Notifications from IRDAI regarding the sale of approved products through channels like Common Service centers (CSC) & Point of Sales Person (POS), we received an approval for 16 products (14 POS products and 2 CSC products) to be sold through these channels, on certification basis.

Under Motor LOB Company launched add on covers like Engine Protector and NCB Protector for private car as well as Two wheeler and new product Two wheeler long term package policy. The Company also participated in 2 major Government Schemes, Pradhan Mantri Fasal Bima Yojana and Unified Package Insurance Scheme, through approvals from Authority.

The Company received approvals for 2 commercial products, Comprehensive Operational Large Risk Policy and Motor Dealers Package Policy at the end of this Financial Year.

The Company has successfully launched above products during FY2016-17, making 127 total no of products available in the bouquet of the products, to cater the requirement of various customer segments.

The Company has received the most awaited approval for IOB Health Care plus policy revision, in the very beginning of the new financial year and approval for Loan Secure policy revision is expected to receive from Authority.

Further to make wide variety of the products available, Company proposes to file variety of new products in FY2017-18. Focusing on the growth of retail health business, Company wish to bring in new health insurance products like Comprehensive Health policy, Comprehensive Personal Accident policy, Disease specific products like Diabetes policy, cancer policy, Super top up plan in order to cater higher sum insurance needs.

The Company is also working on filing the Terrorism policy, revision of Micro insurance products, extended warranty product and explicitly getting in the most innovative products based on the concept of Carbon Credit Insurance, Venture capital insurance, Title insurance and Public offering security insurance etc.

Thus, during FY2017-18, the Company is expected to file and receive and approval for at least 15 new products and revisions in addition, in order to increase the penetration and serve every segmental customer base.

### Underwriting Operations

#### • Commercial Underwriting

During this financial year, not much of improvement in rates under property segment has been observed for the first three quarters. However during the last quarter, in view of decreasing rates and adverse claims experience for some specified occupancies to be covered under Mega/Industrial All Risk/Standard Fire & Special Perils Policies, it was decided by all the General insurance companies to standardise the minimum policy rates for these occupancies proposed to be covered under these policies. It is expected that correction in property rates for the selected occupancies will have favourable impact on the performance of this portfolio during the coming months. Your Company has been able to maintain healthy portfolio despite low premium rates prevailing during the first three quarters. This is primarily because the Company has successfully bargained better premium compared to its competitors in Bancassurance channel which is one of our main sources of property business.

Under Marine portfolio, your Company has experienced growth in Cargo as well as Hull segments during this Financial Year primarily due to growth in business of Japanese clients in this portfolio.

#### • Health Underwriting

During this financial year, your Company has procured good amount of Retail Health business via portability. Due to aggressive pricing in Group Health segment, your Company started taking cautious decision in this regard. Consequently, the Company could not achieve targeted GWP for Health during this financial year. Your Company has been maintaining successfully the operations for in house claims settlement system with state of art software and with more than 4000 hospitals on our own panel to extend cashless services to our customers and now there is an increasing trend on the part of the group and retail health proposers to opt for the Company's In- House Claim Settlement facility. As a result, your Company has succeeded in curbing the Claim Ratio in health insurance business during this Financial Year as compared to the preceding year.

### Reinsurance

The Reinsurance Arrangement for 2016/17 was done after detailed analysis of our Business Plan with specific reference to product mix, estimated risk accumulation and exposure. The objective was to arrange adequate protection in a cost efficient manner. Reinsurers, appeared to be less interested in proportional treaties particularly in property and engineering, the reason most probably was heavy discounting in premium rates and high claim ratio. In view of the past flood losses in the country, the cost for catastrophe cover was high. GIC Re remained to be our lead reinsurer with foreign reinsurers as followers. During the year, regulation on order of preference of reinsurance cession came into effect, as a result there was initial furore in the market which settled down in due course. As such the market was stable and reinsurance transactions were smooth.

### Claims

We continued to focus on our proactive approach towards quick and transparent settlement of claims during the year 2016-17 as well. Our overall Claim settlement ratio improved further from 95 % in 2015-16 to 97% in 2016-17. In the year 2016-17, 94% of claims were settled within 3 months, up from 91% in the previous year 2015-16.

During the year 2016-17, motor claim servicing under the Maruti manufacture (MI) tie up was scaled up. MI introduced Balance score card (BSC) – A monthly dashboard to measure performance of insurance companies on various servicing parameters like claims, refunds, pre-inspection, Customer grievance handling etc. USGI continued to remain at No. 1 position among all the Insurance companies on the panel for the entire year. This was made possible by effective usage of technology and efficient handling by our resources.

In order to meet the growing needs of serving our clients more effectively, USGI invested in setting up our own state of art in-house health claims management set up in Noida. USGI is now having fully developed set up to cater to not only retail but corporate clients' needs as well. In our continuous endeavour to provide best services to our channel partners and our esteemed

customers, we have developed such capabilities to service health insurance customers.

### Information Technology Initiatives

Your Company is keen in use of technology for reaching to customers & serves customers efficiently. USGIC has taken various IT initiatives in FY2016-17 for better customer satisfaction as follows:

- Your Company has become the 1st Insurance Company to get C-KYC certified which will ease the process of Policy issuance/renewal for customers and reduce the Turnaround time (TAT) for the process due to elimination of paper documents.
- Your Company has implemented of IT Integration with corporate agents for Real Time integration of policy issuance.
- Your Company has implemented renewal payment portal in its website for corporate agents co-branded health products. USGI website also facilitates the customers to check & renew health & Motor policies online.
- Your Company has continued an upward momentum to capitalize the huge potential of CSC-Common Service Centres Business with the launch of Motor Liability Products, IPA, Cattle and Farmer Products on CSC Website.
- In the Financial Year 2016-17, your Company has facilitated the customers to issue policy 24 x 7 online through Company's website with a customer friendly interface. On this regard several products designed that caters to the special needs of customers such as Sampoorana Grih Suraksha (Home Insurance), Online Domestic Travel Insurance, Online Complete Health Care Insurance, Long Term Two Wheeler Liability Insurance, Two Wheeler Long Term Package Policy etc. which are available on website.
- On focused approach towards digitalization your Company has integrated its system with Pay - U Money and developed Email Payment Gateway through Bill Desk in FY2016-17.
- Your Company has implemented Web Aggregator Platform for Home Insurance and Individual Accident Policy in FY2016-17.
- USGIC has incorporated E-KYC documents in online application for E-Issuance of Policy as per IRDAI regulation on issuance of E -insurance Policies.
- Your Company has implemented Complete Health Care Insurance Intermediary Portal available for Agents & Broker to issue policies online for valued customers. This application is having three payment modes especially for intermediary: - Online payment, Advance payment deposit & credit payment deposit option.

- Implementation of E-proposal forms for online products on the Company's website with the option of digital verification through OTP.
- Implementation of EIA Account in Motor and Health products in our core application with the automated process of policy creation.
- The Company has developed corporate blog which will educate and enlighten customers about Insurance Industry and will give them latest updates about the Company as well as industry.

### Investment Operations

The total investment assets as on 31st March, 2017 was at ₹ 1,624.07 Cr. (at amortized cost) as against ₹ 1088.88 Cr. as on 31st March, 2016. The total investment income (booked) in FY2016-17 stood at ₹121.69 Cr. against ₹ 96.46 Cr. in FY2015-16.

Expecting rise in yields in short term, the Company has reduced the duration of the investment portfolio to 2.46 as on 31st March, 2017, as against 2.92 as of 31st March, 2016. The return on the investment portfolio increased to 9.02% for FY2016-17 from 8.45% for FY2015-16. The return on G-Sec in FY2016-17 was 9.07% as against 7.80% in FY2015-16. The term deposits were at 3.48% of the investment portfolio as of 31st March, 2017 as against 2.6% of the investment portfolio as on 31st March, 2016. The return on fixed deposit was 7.39% in FY2016-17 against 9.80% in FY2015-16 and the reason for the same was fall in term deposit rates.

We expect FY2017-18 to be a challenging year, with limited risk-reward balance for the broader Indian market following the rally in Equity and Debt market last financial year. The major tailwinds for the markets includes stable macro-economic outlook for the country namely- above average GDP growth, prudent fiscal deficit by the Government, controlled inflation, etc. which along with expected pick up in rural demand and implementation of GST. Further, the boost for low cost housing, increase in infrastructure spending by Government, resolution on NPA assets, etc. are a positive for the economy. The key challenges are sub-par private capex, structural over capacity in investment linked and global commodity sectors, rising geopolitical tension and inward policies may act as headwind in coming year.

During the financial year, the pattern of investments as per the IRDAI Regulations has been adhered to. There was no instance of non-compliance of any serious nature in the investment operations during FY2016-17.

### Human Resources

The employee strength at the end of the Financial Year 31st March, 2017 as 866 employees as against 858 employees at the end of the Financial Year 31st March 2016. Premium productivity per employee stood at ₹ 1.49 Cr which is lower than premium productivity per employee of ₹ 1.57 Cr registered by private insurer.

### Shareholders' Funds

There was no change in the share capital of your Company during the Financial Year 2016-17. The paid up share capital of your Company stood at ₹ 350 Cr as on 31st March 2017.

### Indian Accounting Standards

The Ministry of Corporate Affairs has mandated adoption of the Indian Accounting standards for Insurance sector. IRDAI vide their circular no. IRDA/F&A/CIR/IFRS/038/03/2016 dated 1st March, 2016 has advised all the insurance companies to comply the Indian Accounting Standards for accounting period beginning from 1st April, 2018 with comparative for the period ending 31st March, 2018. IRDAI has further directed that FY2016-17 is slated for ensuring that the accounting systems as well as automated processes are geared up for a smooth transition to IND AS implementation. The Company, as per the directives of IRDAI as amended from time to time is taking various steps for implementing IND AS appropriately. The Company has constituted a Steering Committee headed by Managing Director & comprising members from Finance, IT, Actuarial, Underwriting & operations. The Committee is responsible for analysing differences between the current accounting framework & IND AS, significant accounting policy decisions impacting financials, evaluation for system changes, profit planning & budgeting, impact on solvency & managing the entire process of planning & execution by ensuring that all linkages are established between accounting, systems, people & business. The steering committee will report the progress to Audit Committee on time to time. The Audit Committee oversees the progress of IND AS implementation & report to Board at regular intervals.

### Dividend & Reserves

Your Directors do not recommend dividend for the Financial Year ended 31st March, 2017. During the year under review, nil amount was transferred to reserve.

### Material changes affecting the financial position

No material changes and commitment affecting the financial position of the Company have occurred between 31st March, 2017 and the date of this Report.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo [Section 134 (3) (m) of The Companies Act, 2013]

Conservation of Energy, Technology Absorption:

- A. Since your Company does not carry out any manufacturing activity, the Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 are not applicable.
- B. Foreign exchange earnings and Outgo:  
During the Financial Year, outgo in foreign currency amount to ₹ 357.91 millions and earning amount to ₹ 559.39 millions.

### Change in the Nature of Business

There has been no change in the nature of business during the year under review.

### Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the Financial Year were in the ordinary course of business and on an arm's length pricing basis. Particulars of contract or arrangement with related parties referred to section 188(1) of the Companies Act, 2013 in the prescribed form AOC – 2, is provided in **Annexure 2**.

### Loans, Guarantees or Investments

The Company has nil Loans, Guarantees and Investments falling under the preview of Section 186 of the Companies Act, 2013.

### Development and Implementation of a Risk Management Policy for the Company

#### Risk Management System

Risk management is the process by which companies systematically identify, measure and manage the various types of risk inherent within their operations. The fundamental objectives of a sound risk management program are:

- To manage the organization's exposure to potential earnings and capital volatility
- To maximize value to the organization's various stakeholders

However, it is important to note that the objective of risk management is not to eliminate risk and volatility, but to understand it and manage it. Risk management allows the organization to identify and quantify its risks; set risk tolerances limits based on its overall corporate objectives and take the necessary actions to manage risk in the light of those objectives. When done right, risk management fosters an operating environment that supports both strong financial controls and risk mitigation, as well as prudent risk-taking to seize market opportunities.

Risk management tools and practices across the insurance industry have advanced significantly. As the industry has experienced a number of events and trends that have exposed and will continue to expose, insurers to increased levels of risk and uncertainty. Given this, the Risk Management System of the Company is imperative for the sustainability and performance of the insurance Company.

The Company embraces risk management as a core principle in its operation to uphold its business practices integrity and ensure the safety and soundness of its operating environment.

#### Risk Strategy

The Board of Directors, through Audit Committee, oversees the Company's systems of internal control and their effectiveness. The Company's risk management system is designed to identify inherent risks and mitigate risks of failure to achieve strategic business objectives.

#### Risk monitoring procedures adopted

Risk Review deals with monitoring the status of risks, monitoring the progress of risk reduction actions and ensuring the continued application of the risk management process throughout the business processes and systems. This step deals with reviewing



all the previous steps in risk management system and providing a detailed feedback of the process. Feedback helps in analysing the position of the business i.e. how the business is performing and is the business meeting the benchmark set earlier.

The Company follows the following reporting line in its ERM framework which helps each stakeholder to monitor key risks which is important for the success of the overall risk management.

Reporting Unit	Reporting to	Frequency of Reporting	Report
Risk Owners (Department / Section)	CRO	As and when identified	Newly identified risk issues
		Monthly	Key Risk Indicator's
CRO	RMC	Quarterly	- Updates on risk profiles and Newly identified risk - Follow up on Implementation status of action plans
RMC (Assisted by CRO)	BOD	Quarterly	- Priorities Risk Treatments - Prepare Risk Summary for BODs
Internal Audit Department	Audit Committee	As per Audit Plan	- Through Internal Audit Report

#### Internal Financial Controls with reference to the Financial Statements

The Board is assisted by the various Board constituted committees such as Audit Committee, Risk Management Committee and Investment Committee etc. to ensure that sound internal controls including financial, operational, compliance and risk management policies and systems established by management are maintained. The Company has its own in-house team of independent internal auditors to carry out audit activities and report directly to the Audit Committee. In discharging its obligations, the Board relies on the findings of the internal and external auditors.

#### Extract of Annual Return

The extract of Annual Return pursuant to Section 92 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 in the prescribed Form MGT-9 is hereby attached with this Report in **Annexure 1** and is a part of the Report. The same is as on 31st March, 2017.

#### IRDAI Registration

The Company has paid the annual fees for the year 2017-18 as specified under the IRDA (Registration of Insurance Companies) Regulations, 2000 amended from time to time.

#### Directors liable to retire by rotation

Ms. Radha Venkatakrishnan, (DIN: 07317367) Director of the Company retiring by rotation and being eligible offered herself for re-appointment at the ensuing Annual General Meeting.

#### Declaration given by the Independent Directors under section 149 (6) of The Companies Act, 2013

The Independent Directors of the Company have submitted declaration to the effect that they meet with the criteria of

'Independence' as required under section 149(6) of the Companies Act, 2013.

#### Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 it is hereby confirmed that-

1. In the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 31st March, 2017 and of the profit of the Company for that period;
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The directors have prepared the annual accounts on a going concern basis and
5. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### Evaluation of Performance

As per the provisions of the Companies Act, 2013, the performance of Directors, Committee and Board as a whole needs to be evaluated. The Board has adopted the evaluation policy for carrying out the evaluation of Individual Directors, Board as whole and the Board constituted committees. The Nominations and Remuneration Committee carried out the evaluation of the all the Directors and the Board based on various criteria like strategy setting, channel of communication, reporting and monitoring, contribution, level of engagement, initiatives and other as stated in the policy which was in the form of questionnaires.

#### Disclosure of Remuneration Paid to Directors and Key Managerial Personnel and Employees:

- a. As required pursuant to the provisions of the Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the name of the top ten employees in terms of remuneration drawn and the name of every employee if employed throughout the Financial Year and in receipt of remuneration for that year, in the aggregate of not less than one crore and two lakh rupees or more, or if, employed for a part of the Financial Year and in receipt of remuneration at a rate in the aggregate of not less than Eight lakh and fifty thousand rupees per month (inclusive of performance incentive) are given below:-



Employee Name	Designation	Educational Qualification	Age (in yrs)	Experience (in yrs)	Date of Joining	Gross Remuneration paid (₹)	Previous Employment & designation	% of Equity share held by Employee (if any)
O. N. Singh	Executive Chairman (upto 05.10.2016)	B.Com(H), LLB, FCA	71	46	22-05-2007	34,02,743	Allahabad Bank, Chairman & Managing Director	-
Taketoshi Nagaka	Managing Director (upto 18.04.2016)	B.A(Liberal Arts)	53	26	02-04-2014	6,00,363	General Manager- Sampo Japan Insurance Inc.	-
Rajiv Kumar	Managing Director & CEO (w.e.f.06.10. 2016)	M.Com, MBA, Post Graduate advance Diploma in Business Administration	44	26	01-11-2007	69,93,897	Sr. General Manager in USGI	-
Yogesh Agarwal	Appointed Actuary & CRO	B.Com, CA, Fellow of Institute & Faculty of Actuaries	27	5.5	09-02-2016	75,08,609	Shriram GIC Ltd	-
Bisheshwari Singh	Chief Marketing Officer	FCIMA	48	26	08-09-2008	40,94,996	IFFCO Tokio GIC LTD	-
Nirmal Bhattacharya	Chief-Underwriter	M.A (Business Economics), PGDPM	56	32	01-09-2015	33,32,120	Magma HDI GIC Ltd	-
Tanmaya Kumar Panda	Head-Human Resources	B.Com, MPM & LW	49	25	01-01-2015	31,89,560	GVK EMRI	-
V.V.Vendhen	Head-Bancassurance	M.Com	55	30	05-12-2007	31,71,005	TATA AIG GIC Ltd	-
Sarvesh Agrawal	Chief Finance Officer	B.Com, FCA	38	15	10-11-2010	31,70,817	ICICI Lombard GIC Ltd	-
Hareshwar Karekar	Chief Investment Officer	PGDBA (Fin), LLB	43	24	29-07-2016	20,61,241	L&T GIC Ltd	-

- b. The details with regard to payment of remuneration to Director and Key Managerial Personnel as per Companies Act, 2013 are provided in Form No. MGT 9- extract of annual return appended as **Annexure 1**.

#### Board Meetings

There were 7 (seven) Board Meetings held during the year viz. 11/04/2016, 23/05/2016, 12/07/2016, 23/09/2016, 25/10/2016, 17/12/2016 and 04/02/2017.

Statement showing the name of Board of Directors and their attendance as on 31st March, 2017: -

Sr No	Name of Directors	Status of directorship held	Qualification	Area of specialization	No. of Meetings entitled to attend	No. of meetings attended
1.	Mr. O N Singh	Non-Executive Chairman (w.e.f 06.10.2016)	B. Com (Hons); L.L.B; F.C.A	Former CMD Allahabad Bank	7	7
2.	Mr. Ananthakrishna*	Non-Executive Director	B.Sc. Post Graduation Mathematics	Chairman of Karnataka Bank Ltd.	5	5
3.	Mr. Rakesh Sethi**	Nominee Director	Gold Medalist in Master of Commerce from Osmania University, Hyderabad	CMD Allahabad Bank	7	5
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	7	6
5.	Mr. Ravinder Kumar Kaul***	Nominee Director	Phd. Zoology, University of Kashmir	Associate of Insurance Institute of India (AIII)	1	1
6.	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	7	5
7.	Mr. Taketoshi Nagaoka ^	Nominee Director	B. A. (Liberal Arts)	Insurance professional with Sampo Japan Insur- ance Inc.	7	7
8.	Ms. Radha Venkatakrishnan	Nominee Director	Chartered Accountant	Banker for 30 years with the Indian Overseas Bank and has served in many positions.	7	4
9.	Mr. Nobuhiro Hiromi Kojima**	Nominee Director	Graduated from Waseda University, Tokyo Bachelor of Law (Law Faculty)	President / Managing Director of Sampo Holdings (Asia) Pte. Ltd. Having over two decade experience in Insurance Sector	7	1
10.	Mr. Katsuyuki Masahiro Tajiri #	Alternate to Mr. Nobuhiro Kojima	Bachelor of Arts, Sophia University	Senior Executive Director Sampo Holdings (Asia) Pte. Ltd. Over decade of experience in Insurance	6	6

Sr No	Name of Directors	Status of directorship held	Qualification	Area of specialization	No. of Meetings entitled to attend	No. of meetings attended
11.	Mr. Ram Niwas Jain	Independent Director	BE (Mechanical)	Experience of working with two Nationalized Banks i.e Allahabad Bank and UCO Bank	7	7
12.	Mr. Kuniaki Bumpei Takahashi	Nominee Director	Bachelor of Economics from Keio University	2 years of experience in Export Credit Agency, Japan. 4 years in Global Securities Investment and 8 years in Overseas Department	7	7
13.	Mr. Rajiv Kumar <sup>^^</sup>	Managing Director & Chief Executive Officer	M.Com, MBA, Post Graduate advance Diploma in Business Administration	25 years of experience in Insurance Sector having worked with United India Insurance Co. Ltd for 10 years and 5 years with IFFCO-TOKIO General Insurance Co. Ltd, 6 months with Bennett, Coleman & Co.	3	3
14.	Mr. Ashok Kumar Roy <sup>^^^</sup>	Independent Director	B. Tech (Hons.) First Class from Indian Institute of Technology (IIT), Kharagpur	Chairman-cum-Managing Director of Agriculture Insurance Company of India Ltd and GIC Re, 29 years with Oriental insurance Co. Ltd.	4	4
15.	Mr. Mahabaleshwara M S <sup>^^^</sup>	Nominee Director	M.Sc (Agri), PGDBM, CAIIB	Banking and Insurance	2	2
16.	Mr. Rajaveloo Koteeswaran <sup>*****</sup>	Nominee Director	B.com	MD & CEO of Indian Overseas Bank. Four Decades of experience covering entire gamut of banking sector	2	2

\*Upto 27/10/2016, \*\*Upto 08/04/2017, \*\*\*Upto 23/05/2016, \*\*\*\*Completion of term on 31/03/2017, \*\*\*\*\*Upto 04/07/2016, ^Mr. Nagaoka was MD till 18/04/2016 further he was inducted as Nominee Director on 12/07/2016, ^^Inducted on 06/10/2016, ^^^Inducted on 27/10/2016, ^^^^ Inducted on 12/07/2016, #Vacated office on 12/07/2016 as Original Director Returns to India and again Inducted on 16/09/2016 as Alternate Director to Mr. Nobuhiro Kojima.

Mr. Nobuhiro Kojima ceased to be a director w.e.f. 08/04/2017, Mr. Katsuyuki Tajiri being an Alternate Director to Mr. Nobuhiro Kojima also ceased w.e.f. 08/04/2017. However, on the same day he was again Inducted as Alternate Director to Mr. Yuji Kawauchi.

## Mandatory Committee

### Audit Committee

During the year under review, the Audit Committee met four times viz. 11/04/2016, 22/09/2016, 25/10/2016 and 03/02/2017. The Committee also met on 19/05/2017, for review of the audited financial statements for the year ended 31st March, 2017 and recommended the same for the approval of Board.

The details of the attendance of the Audit Committee members during the Financial Year 2016-17 are listed below:

Sr. No.	Name of the Member	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. C. R. Muralidharan *	4	4
2.	Mr. O. N. Singh#	1	1
3.	Mr. Ananthakrishna **	3	3
4.	Mr. Ram Niwas Jain	4	4
5.	Mr. Mohit Burman	4	4
6.	Mr. Ashok Kumar Roy #	1	1
7.	Mr. Kojima***	4	0
8.	Mr. Katsuyuki Tajiri (Alternate to Mr. Kojima)	4	4

\*Completion of term 31/03/2017, \*\*Upto 27/10/2016,\*\*\*Upto 08/04/2017, # Inducted in the Committee from 25 /10/2016

The Audit Committee was reconstituted by Board at their meeting held on 19/05/2017 as follows:

Sr. No.	Name of the Member	Category	Designation
1.	Mr. Ashok Kumar Roy	Chairman	Independent Director
2.	Mr. O. N. Singh	Member	Non-Executive Chairman
3.	Mr. Yuji Kawauchi	Member	Non-Executive Director
4.	Mr. Mohit Burman	Member	Non-Executive Director
5.	Mr. Sandip Ghose	Member	Independent Director
6.	Mr. Ram Niwas Jain	Member	Independent Director

The Chief Financial Officer (CFO) and Head Internal Auditor (IAD) of the Company are permanent invitees to the meeting of this Committee.

### Investment Committee

The composition of the Committee is as per the requirement of Corporate Governance Guidelines of IRDAI. The Committee undertakes the responsibilities as cast on it pursuant to the IRDA (investment) Regulations, 2000 and Corporate Governance Guidelines of IRDAI as amended from time to time. During the year under review, Investment Committee met four times viz. 11/07/2016, 22/09/2016, 17/12/2016 and 03/02/2017.

The details of the attendance of the Investment Committee members during the Financial Year 2016-17 are listed below:

Sr. No.	Name of the Member	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. O.N. Singh	4	4
2.	Mr. Ananthakrishna *	2	2
3.	Mr. Kuniaki Takahashi	4	4

Sr. No.	Name of the Member	No. of meetings entitled to attend	No. of meetings attended
4.	Mr. Ram Niwas Jain	4	4
5.	Mr. Rajiv Kumar#	2	2
6.	Ms. Radha Venkatakrishnan#	2	0
7.	Mr. Mahabaleshwar M S##	1	1

\*Upto 27/10/2016, # Inducted in the Committee from 25/10/2016, ##Inducted in the Committee from 17 /12/ 2016.

The Investment Committee was reconstituted by Board at their meeting held on 19/05/2017 as follows:

Sr. No.	Name of the Member	Category	Designation
1.	Mr. O. N. Singh	Chairman	Non-Executive Chairman
2.	Mr. Rajiv Kumar	Member	Managing Director & Chief Executive Officer
3.	Mr. Kuniaki Takahshi	Member	Non-Executive Director
4.	Mr. Ram Niwas Jain	Member	Independent Director
5.	Mr. Jayarama Bhat	Member	Non-Executive Director

The Chief Financial Officer (CFO), Chief Investment Officer (CIO) and Appointed Actuary (AA) & Chief Risk Officer (CRO) are members of this Committee as per Investment Guidelines.

### Policyholders Protection Committee

The composition of the Committee is as per the requirement of Corporate Governance Guidelines of IRDAI. The Committee reviews the Policyholders grievances and the grievance redressal mechanism of the Company and suggests mechanism for speedy redressal of complaints/grievances of policyholders. During the year under review, the Committee met four times viz. 11/07/2016, 22/09/2016, 17/12/2016 and 03/02/2017.

The details of the attendance of the Policyholders Protection Committee members during the Financial Year 2016-17 are listed below:

Sr. No.	Name of the Member	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. O. N. Singh	4	4
2.	Mr. Taketoshi Nagaoka*	4	4
3.	Mr. Ananthakrishna **	2	2
4.	Ms. Radha Venkatakrishnan#	2	0
5.	Mr. Rajiv Kumar#	2	2

\*Upto 08/04/2017, \*\*Upto 27/10/2016, # Inducted in the Committee from 25/10/2016.

The Policyholders Protection Committee was reconstituted by Board at their meeting held on 19/05/2017 as follows:

Sr. No.	Name of the Member	Category	Designation
1.	Mr. O. N. Singh	Chairman	Non-Executive Chairman
2.	Mr. Rajiv Kumar	Member	Managing Director & Chief Executive Officer
3.	Mr. Keita Hashiba	Member	Non-Executive Director
4.	Mr. Ashok Kumar Roy	Member	Independent Director

The Chief grievance officer, the Head claims and Head customer

service are permanent invitees of this Committee.

### Risk Management Committee

The Committee reviews the Risk Management Status and Business Continuity and Fraud Monitoring framework. During the year under review, Committee met four times viz. on 11/07/2016, 22/09/2016, 17/12/2016 and 03/02/2017.

The details of the attendance of the Risk Management Committee members during the Financial Year 2016-17 are listed below:

Sr. No.	Name of the Member	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. O. N. Singh	4	4
2.	Mr. Ananthakrishna*	2	2
3.	Mr. Taketoshi Nagaoka**	4	4
4.	Mr. Rajiv Kumar#	2	2
5.	Ms. Radha Venkatakrishnan #	2	0

\*Upto 27/10/2016, \*\*Upto 08/04/2017, # Inducted in the Committee from 25/10/2016.

The Risk Management Committee was reconstituted by Board at their meeting held on 19/05/2017 as follows:

Sr. No.	Name of the Member	Category	Designation
1.	Mr. O. N. Singh	Chairman	Non-Executive Chairman
2.	Mr. Rajiv Kumar	Member	Managing Director & Chief Executive Officer
3.	Mr. Keita Hashiba	Member	Non-Executive Director
4.	Mr. Sandip Ghose	Member	Independent Director
5.	Ms. Radha Venkatakrishnan	Member	Non-Executive Director

The Chief Risk Officer (CRO) is permanent invitee to the meeting of this Committee.

### Nomination and Remuneration Committee

As per Corporate Governance Guidelines of IRDAI dated 18th May, 2016 the Company has merged the Nomination and Remuneration Committee with the approval of Board. The Nomination and Remuneration Committee approved Remuneration Policy for Directors according to which the remuneration is determined and recommended to the Board, subject to IRDAI approval.

Further, it has adopted fit & proper criteria for appointment of directors as prescribed by IRDAI and has also evaluated the Performance of Individual Directors and the Board.

During the year under review, Nomination and Remuneration Committee met four times viz. on 11/07/2016, 25/08/2016, 22/09/2016 and 16/12/2016.

The details of the attendance of the Nomination and Remuneration Committee members during the Financial Year 2016-17 are listed below:

Sr. No.	Name of the Member	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. Rakesh Sethi**	4	4

Sr. No.	Name of the Member	No. of meetings entitled to attend	No. of meetings attended
2.	Mr. Ananthakrishna*	3	3
3.	Mr. Kuniaki Takahashi	4	4
4.	Mr. O. N. Singh#	1	1
5.	Mr. Ram Niwas Jain#	1	1
6.	Mr. Ashok Kumar Roy#	1	1

\*Upto 27/10/2016, \*\*Upto 08/04/2017, # Inducted in the Committee from 25/10/2016.

The Nomination and Remuneration Committee was reconstituted by Board at their meeting held on 19/05/2017 as follows:

Sr. No.	Name of the Member	Category	Designation
1.	Mr. Ram Niwas Jain	Chairman	Independent Director
2.	Mr. O. N. Singh	Member	Non-Executive Chairman
3.	Mr. Sandip Ghose	Member	Independent Director
4.	Mr. Kuniaki Takahashi	Member	Non-Executive Director
5.	Mr. N. K. Sahoo	Member	Non-Executive Director
6.	Mr. Ashok Kumar Roy	Member	Independent Director

### Corporate Social Responsibility Committee

The committee monitors the CSR activities undertaken by the Company. The CSR Policy is available on website of the Company: [www.universalsompo.com](http://www.universalsompo.com). The Report on Corporate Social responsibility, as prescribed under Section 135 of the Companies Act, 2013 is appended as **Annexure 3** to the Boards Report.

During the year under review the Corporate Social Responsibility Committee met twice viz. on 11/07/2016 and 22/09/2016.

The details of the attendance of the Corporate Social Responsibility Committee members during the Financial Year 2016-17 are listed below:

Sr. No.	Name of the Member	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. O. N. Singh	2	2
2.	Mr. Taketoshi Nagaoka *	2	2
3.	Mr. Ram Niwas Jain	2	2

\*Upto 08/04/2017

The Corporate Social Responsibility Committee was reconstituted by Board at their meeting held on 19/05/2017 as follows:

Sr. No.	Name of the Member	Category	Designation
1.	Mr. O. N. Singh	Chairman	Non-Executive Chairman
2.	Mr. Rajiv Kumar	Member	Managing Director & Chief Executive Officer
3.	Mr. Keita Hashiba	Member	Non-Executive Director
4.	Mr. Ram Niwas Jain	Member	Independent Director

The Chief Financial Officer (CFO) is permanent invitee to the meeting of this Committee.



## Other Non-Mandatory Committee

### Reinsurance Committee

The Reinsurance Program and any amendments to the Reinsurance 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.

During the year under review, Reinsurance Committee met twice viz. on 17/12/2016 and 12/01/2017.

The details of the attendance of the Reinsurance Committee members during the Financial Year 2016-17 are listed below:

Sr. No.	Name of the Member	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. O. N. Singh	2	2
2.	Mr. Rajiv Kumar##	2	2
3.	Mr. Ashok Kumar Roy#	2	2
4.	Mr. Kuniaki Takahashi	2	2
5.	Mr. Mohit Burman	2	1

# Inducted in the Committee from 23/09/2016, ## Inducted in the Committee from 25/10/2016.

The Head-Reinsurance is permanent invitee to the meeting of this Committee.

### Committee of Directors

The Committee of Directors has been constituted by the Board and it functions under the overall supervision of the Board.

During the year under review, the Committee of Directors met on 27/05/2016, 10/06/2016, 11/07/2016, 30/07/2016, 20/09/2016, 18/10/2016, 02/12/2016, 27/12/2016, 13/01/2017 and 16/03/2017.

The details of the attendance of the Committee of Directors during the Financial Year 2016-17 are listed below:

Sr. No.	Name of the Member	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. O. N. Singh	10	10
2.	Mr. Takatoshi Nagaoka**	10	9
3.	Mr. Ananthakrishna*	6	4
4.	Mr. Rajiv Kumar##	5	5
5.	Ms. Radha Venkatakrishnan#	4	3

\*Upto 27/10/2016, # Inducted in the Committee from 25/10/2016, ## Inducted in the committee from 06/10/2016, \*\*Upto 08/04/2017.

The Committee of Directors was reconstituted by Board at their meeting held on 07/04/2017 as follows:

Sr. No.	Name of the Member	Category	Designation
1.	Mr. O. N. Singh	Chairman	Non-Executive Chairman
2.	Mr. Rajiv Kumar	Member	Managing Director & Chief Executive Officer
3.	Mr. Keita Hashiba	Member	Non-Executive Director
4.	Ms. Radha Venkatakrishnan	Member	Non-Executive Director

## Details of Directors or Key Managerial Personnel (KMP) who were appointed or have resigned during the year

Sr. No.	Name of Director	Particulars	Date of Induction	Date of Cessation
1.	Mr. Ravinder Kumar Kaul	Cessation as Nominee Director	-	23/05/2016
2.	Mr. Takatoshi Nagaoka	Cessation from the post of Managing Director due to Guidelines on Indian owned and controlled by IRDAI	-	18/04/2016
3.	Mr. Ashok Kumar Roy	Inducted as Independent Directors	12/07/2016	-
4.	Mr. Rajaveloo Koteeswaran	Cessation as Nominee Director	-	04/07/2016
5.	Mr. Takatoshi Nagaoka	Inducted as Nominee Director	12/07/2016	-
6.	Mr. Katsuyuki Tajiri	Cessation as Alternate Director to Mr. Nobuhiro Kojima	-	12/07/2016
7.	Mr. Katsuyuki Tajiri	Inducted as Alternate Director to Mr. Nobuhiro Kojima	16/09/2016	-
8.	Mr. Rajiv Kumar	Inducted as MD & CEO	06/10/2016	-
9.	Mr. O. N. Singh	Change in Designation from Executive Chairman to Non-Executive Chairman	06/10/2016	-
10.	Mr. Ananthakrishna	Cessation as Nominee Director	-	27/10/2016
11.	Mr. Mahabaleshwara M S	Inducted as Nominee Director	27/10/2016	-
12.	Mr. C. R. Muralidharan	Completion of tenure as Independent Director	31/03/2017	-

The Board met on 07/04/2017 and 19/05/2017 after the Financial Year ended 31st March, 2017 and the changes in the Board of the Company after the end of Financial Year and till the date of this report are:

Sr. No.	Name of Director	Particulars	Date of Induction	Date of Cessation
1.	Mr. Rakesh Sethi	Cessation as Nominee Director	-	08/04/2017
2.	Mr. N. K. Sahoo	Inducted as Nominee Director	08/04/2017	-
3.	Mr. Takatoshi Nagaoka	Cessation as Nominee Director	-	08/04/2017
4.	Mr. Keita Hahsiba	Inducted as Nominee Director	08/04/2017	-
5.	Mr. Nobuhiro Kojima	Cessation as Nominee Director	-	08/04/2017
6.	Mr. Yuji Kawauchi	Inducted as Nominee Director	08/04/2017	-
7.	Mr. Katsuyuki Tajiri	Vacation of office as Alternate Director to Mr. Nobuhiro Kojima	-	08/04/2017
8.	Mr. Katsuyuki Tajiri	Inducted as Alternate Director to Mr. Yuji Kawauchi	08/04/2017	-
9.	Mr. Sandip Ghose	Inducted as Independent Director	07/04/2017	-
10.	Mr. Jayarama Bhat	Inducted as Nominee Director	19/05/2017	-
11.	Mr. Mahabaleshwara M. S.	Cessation as Nominee Director	-	12/04/2017
12.	Mr. Ashok Kumar Roy	Cessation as Independent Director due to Death	-	05/06/2017

### Significant and material orders passed

The Regulatory Authority has not passed any significant adverse order/observation/penalty. Also, no significant and material order has been passed by any court or tribunal.

### Subsidiary/ Joint Ventures/Associate Companies

During the year under review, no Company has joined or ceased to be subsidiary/ joint ventures/associate companies of the Company.

### Deposits

During the year under review, the Company has not accepted any deposit from the public.

### Statutory Auditors and Auditors' Report

M/s. R. C. Agrawal & Co, Chartered Accountants, and M/s. V K Jindal & Co, Chartered Accountants, Joint Statutory Auditors of the Company, were appointed on 18th September, 2015 via Special Resolution for the period of three years to hold the office from conclusion of 8th Annual General Meeting until the conclusion of 11th Annual General Meeting, subject to the ratification in every Annual General Meeting. Your Directors recommend their ratification in the ensuing Annual General Meeting for auditing the books of accounts for the Financial Year 2017 – 18.

### Secretarial Auditor

Your Company appointed M/s. Pramod S. Shah and Associates as a Secretarial Auditor of the Company, in compliance with the provision of section 204 of the Companies, Act 2013 for conducting secretarial audit of Company for the Financial Year 2016 – 17.

M/s. Pramod S. Shah and Associates has issued their Audit report as attached in **Annexure 4**

### Secretarial Auditor observation:

As per Section 188(1) of the Companies Act 2013, the Company has carried out certain related party transactions during the Financial Year 2016-17. However, the Company has confirmed that the Transactions are in ordinary course of business and at arm's length price.

### Board Response to the Auditor comments:

The Company is in the process of forming Policy on Related Party transactions, consequent to which all the transactions with related party will be processed as per the Policy.

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

The Company has in place a policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace. An Internal Compliant Committee has been constituted to redress complaints received regarding sexual harassment. During the year under review, the Committee has received nil complaints.

### CG Compliance Reporting & Other Disclosures

Compliance status of the CG guidelines is reported regularly to IRDAI in compliance with the stipulations laid down in the related circular. Quarterly disclosure of financials and other information relating to Company, its products, service parameters are regularly updated on the Company's website on a periodic basis. The Corporate Governance status reported to IRDAI for FY2016-17 confirmed

compliance with IRDAI's Corporate Governance guidelines.

### Awards and Recognitions

Universal Sampo General Insurance continues to achieve confidence and recognition from reputed institutions at various industry forums. The Company has been bestowed with Awards and Certificate of Appreciation; for its business operations, customer centric approach, designing products & services to serve insurance needs of rural household and the farming community as well as for retail and corporate customers

- Universal Sampo General Insurance was honoured with "Skoch Order-of-Merit 2016" award by the SKOCH Group for the "Top 100 Projects in India for the year 2016" on 16th December, 2016.
- The Company was adjudicated the prestigious award of "Customer Service Provider of the Year" at the 2nd Annual Insurance Summit and Awards in Mumbai on 26th May, 2017.
- The Company was also bestowed with the BFSI-Personal Line Broking Initiative of year, which was presented by ABP News Channel on 14th February, 2017.
- Universal Sampo won the "Claim Service Leader General Insurance (Medium & Small category)" award for FY2016-17 in "Fintelekt-Insurance awards 2017" held in Mumbai on 21st July, 2017.
- The Company was honoured with "Certificate of Appreciation" for participating in "International Agricultural Trade Fair-Krishithon 2016" held in Nashik, Maharashtra on 28th November, 2016.

### Acknowledgement

Your Directors wish to place on record their immense appreciation for the assistance and cooperation received from Insurance Regulatory and Development Authority of India, 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**

**Chairman**

**(DIN – 00182616)**

**Place: Mumbai**

**Date: 28/07/2017**

### 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: 28/07/2017**

# Indian Overseas Bank in association with Universal Sompo General Insurance Co. Ltd.

Presents IOB Health Care Plus - A Perfect Health Insurance Policy



**INDIAN OVERSEAS BANK**

**HEALTH CARE PLUS POLICY**

## Be protected against uncertainties...

- Complete Health Cover for Individual and Family on Floater basis.
- Sum Insured ranging from Rs. 50,000/- to Rs. 5,00,000/-
- Entry age up to 65 years.
- Cashless Hospitalisation Benefit.
- Coverage of Inpatient, Pre & Post Hospitalisation Expenses.
- Includes Maternity Benefit.
- Premium payment facility through auto debit from your IOB a/c.
- Option to cover 2 Dependent Parents.
- Income Tax Benefit u/s 80(D) of IT Act.
- Coverage of ambulance expenses and periodic free health check – up benefit.

\* 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.**

Suraksha, Hamesha Aapke Saath

**Toll Free No. 1800 200 5142 | Log on to [www.universalsompo.com](http://www.universalsompo.com)**

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

ENG/IOBHCP/AR/070/AUG2017, IRDAI 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](mailto:contactus@universalsompo.com). | Insurance is the subject matter of solicitation. | IRDAI or its officials do not involve in activities like sale of any kind of insurance or financial products nor invest premiums. IRDAI 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. UIN# IRDA/NL-HLT/USGI/P-H/V.I/245/13-14





## ALLAHABAD BANK

### HEALTH CARE PLUS POLICY

- Complete Health Cover for Individual and Family on Floater basis.
- Sum Insured ranging from Rs. 50,000/- to Rs. 5,00,000/-
- Entry age up to 65 years.
- Cashless Hospitalisation Benefit.
- Coverage of Inpatient, Pre & Post Hospitalisation Expenses.
- Includes Maternity Benefit.
- Premium payment facility through auto debit from your Allahabad Bank a/c.
- Option to cover 2 Dependent Children and Parents.
- Income Tax Benefit u/s 80(D) of IT Act.
- Coverage of ambulance expenses and periodic free health check – up benefit.

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

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

**ANNEXURE 1**  
**EXTRACT OF ANNUAL RETURN**

On the Financial Year ended 31.03.2017

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

FORM NO. MGT – 9

**I. Registration and Other Details**

i) CIN	U66010MH2007PLC166770
ii) Registration Date	05/01/2007
iii) Name of the Company	Universal Sompo General Insurance Company Limited
iv) Category / Sub-Category of the Company	Company Limited by Share/ Non-Government Company
v) Address of the Registered office and contact details	Unit No. 401, 4th Floor, Sangam Complex, 127, Andheri Kurla Road, Andheri (East), Mumbai- 400059. Tel : 022-29211800, Fax : 022-29211844 Website: <a href="http://www.universalsompo.com">http://www.universalsompo.com</a>
vi) Whether listed Company Yes / No	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Pvt. Ltd. 17 -24 Vithal Rao Nagar, Madhapur, Hyderabad 500 081, India P : +91 040 44655265

**II. Principal Business Activities of the Company**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

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

**III. Particulars of Holding, Subsidiary and Associate Companies**

S. no	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Allahabad Bank	-	Associate	30	2(6)
2.	Sompo Japan Nipponkoa Insurance Inc	-	Associate	26	2(6)

**IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)**

**(i) Category-wise Share Holding:**

Category of Share-holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	3,50,00,000	3,50,00,000	10	-	3,50,00,000	3,50,00,000	10	-
e) Banks / FI	22,39,99,996	4	22,40,00,000	64	22,39,99,996	4	22,40,00,000	64	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):</b>	<b>22,39,99,996</b>	<b>3,50,00,004</b>	<b>25,90,00,000</b>	<b>74</b>	<b>22,39,99,996</b>	<b>3,50,00,004</b>	<b>25,90,00,000</b>	<b>74</b>	<b>-</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	9,10,00,000	9,10,00,000	26	-	9,10,00,000	9,10,00,000	26	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	-	9,10,00,000	9,10,00,000	26	-	9,10,00,000	9,10,00,000	26	-
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	22,39,99,996	12,60,00,004	35,00,00,000	100	22,39,99,996	12,60,00,004	35,00,00,000	100	-
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non-Institutions</b>	-	-	-	-	-	-	-	-	-
<b>a) Bodies Corporate</b>	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
<b>c) Others (specify)</b>	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):</b>	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B) = (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	22,39,99,996	12,60,00,004	35,00,00,000	100	22,39,99,996	12,60,00,004	35,00,00,000	100	-

(ii) Shareholding of Promoters:

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	
1	Mohit Burman (Partner Dabur Investment Corporation )	3,50,00,000	10.00	0.00	3,50,00,000	10.00	0.00	0.00
2	Sompo Japan Nipponkoa Insurance Inc.	9,10,00,000	26.00	0.00	9,10,00,000	26.00	0.00	0.00
3	Geeta Shetti (Nominee Shareholder of Indian Overseas Bank)	1	0.00	0.00	1	0.00	0.00	0.00
4	Atul Kumar Goel (Nominee of Allahabad Bank)	1	0.00	0.00	1	0.00	0.00	0.00
5	Sanjay Aggarwal (Nominee of Allahabad Bank)	1	0.00	0.00	1	0.00	0.00	0.00
6	J K Singh Kharb (Nominee of Allahabad Bank)	1	0.00	0.00	1	0.00	0.00	0.00
7	The Karnataka Bank Ltd	5,25,00,000	15.00	0.00	5,25,00,000	15.00	0.00	0.00
8	Allahabad Bank	10,49,99,997	30.00	0.00	10,49,99,997	30.00	0.00	0.00
9	Indian Overseas Bank	6,64,99,999	19.00	0.00	6,64,99,999	19.00	0.00	0.00
	<b>Total</b>	<b>35,00,00,000</b>	<b>100.00</b>	<b>0.00</b>	<b>35,00,00,000</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>

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

SI No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	At the beginning of the year	No. of shares	% of total shares of the Company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat )	_____	NO CHANGE	_____	_____
	At the End of the year				

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year ( or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment is Nil.

VI. Remuneration of Directors and Key Managerial Personnel

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

Sl. no.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount (Amount in ₹)
		Mr. O N Singh (Executive Chairman upto 05.10.2016)	Mr. Rajiv Kumar (MD & CEO w.e.f. 06.10.2016)	Mr. Taketoshi Nagao-ka (Upto 18.04.2016)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27,81,937	32,92,485	5,34,653	66,09,075
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission – as % of profit - others, specific	-	-	-	-

Sl. no.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount (Amount in ₹)
		Mr. O N Singh (Executive Chairman upto 05.10.2016)	Mr. Rajiv Kumar (MD & CEO w.e.f. 06.10.2016)	Mr. Taketoshi Nagaoka (Upto 18.04.2016)	
5.	Others, please specify:				
	• Profit Link Remuneration	-	25,00,000	-	25,00,000
	• Provident Fund	1,85,806	2,18,952	35,710	4,40,468
	• Directors Sitting fees	4,35,000	8,00,000	30,000	12,65,000
	• NPS	-	1,82,460	-	1,82,460
	<b>Total (A)</b>	<b>34,02,743</b>	<b>69,93,897</b>	<b>6,00,363</b>	<b>109,97,003</b>
	*Ceiling as per the Act	NA			

\*Pursuant to provisions of Section 34(A) of the Insurance Act, 1938, provisions relating to remuneration as prescribed under the Companies Act, 2013 shall not be applicable. Further such provisions shall not apply to any matter in which the approval of IRDAI has been obtained.

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Fee for attending Board/committee Meetings	Commission	Others, please specify	Total Amount
<b>1.</b>	<b>Independent Director</b>				
	Mr. C. R Muralidharan	3,40,000	Nil	Nil	3,40,000
	Mr. Ram Niwas Jain	6,75,000	Nil	Nil	6,75,000
	Mr. Ashok Kumar Roy	4,00,000	Nil	Nil	4,00,000
<b>2.</b>	<b>Other Non-Executive Directors</b>				
	Mr. O. N. Singh #	9,00,000	Nil	Nil	9,00,000
	Mr. Rakesh Sethi	3,05,000	Nil	Nil	3,05,000
	Ms. Radha Venkatakrishnan	2,80,000	Nil	Nil	2,80,000
	Mr. M. S. Mahabaleshwara	1,50,000	Nil	Nil	1,50,000
	Mr. Mohit Burman	4,40,000	Nil	Nil	4,40,000
	Mr. Nobuhiro Kojima	15,000	Nil	Nil	15,000
	Mr. Taketoshi Nagaoka *	8,95,000	Nil	Nil	8,95,000
	Mr. Kuniaki Takahashi	6,65,000	Nil	Nil	6,65,000
	Mr. Katsuyuki Tajiri	3,90,000	Nil	Nil	3,90,000
	Mr. Ananthakrishna	6,45,000	Nil	Nil	6,45,000
	Mr. Rajaveloo Koteeswaran	30,000	Nil	Nil	30,000
	Mr. Ravinder Kumar Kaul	15,000	Nil	Nil	15,000
	<b>Total B=(1+2)</b>				<b>61,45,000</b>
	<b>Total Managerial Remuneration (A+B)</b>				<b>1,71,42,003</b>
	Overall Ceiling as per the act	-	-	-	-

The remuneration paid to other director is within overall Ceiling as per the Act.

# Non-Executive Chairman w.e.f. 06th October, 2016 \* Non-Executive Director w.e.f. 12th July, 2016

**C. Remuneration to Key Managerial Personnel as Per Companies Act, 2013 other than MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	Chief Financial Officer	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,53,569	29,80,589	46,34,158
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	Chief Financial Officer	Total
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others			
	Provident Fund	50,436	1,03,860	1,54,296
	NPS	-	86,368	86,368
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>17,04,005</b>	<b>31,70,817</b>	<b>48,74,526</b>

#### VII. Penalties / Punishment/ Compounding of Offences

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



## ANNEXURE 2

### Form No. AOC-2

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

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

Sr. No	Nature of contracts / transactions	Name of the Related Party	Nature of relationship	Duration of contracts	Salient Terms of contracts/ transactions	Amount paid / Received (₹ in Millions)	Amount paid in advance if any
1	Premium Income (rendering of services)	Allahabad Bank	Promoters	-	At Market Price	16.14	Nil
2	Claim Payments	Allahabad Bank	Promoters	-	At Market Price	11.11	Nil
3	Commission payout	Allahabad Bank	Promoters	3 years	At Market Price	116.34	Nil
4	Other Expenditure – Bank Charges for availing CMS facility	Allahabad Bank	Promoters	-	At Market Price	8.44	Nil
5	Reinsurance Arrangement Premium (Net of Commission)	Sompo Japan Nipponkoa Insurance Inc.	Promoters	-	At Market Price	319.93	Nil
6	Reinsurance Arrangement for Recovery of Claims	Sompo Japan Nipponkoa Insurance Inc.	Promoters	-	At Market Price	355.13	Nil
7	Rent and Maintenance	Mrs Rama Singh	KMP Relative	-	At Market Price	1.44	Nil

For and on behalf of the Board of Directors

Sd/-

Place: Mumbai  
Date: 28/07/2017

**O. N. Singh**  
Chairman  
(DIN – 00182616)

### ANNEXURE 3 Corporate Social Responsibility reporting

**a. Brief outline of Company approved CSR policy including overview of projects or programs proposed to be undertaken and a reference web-link to CSR policy:**

The Company has a Board approved CSR Policy. The focus area is enhancing the vocational skills of unemployed youth for developing their soft skills and providing them training of the Insurance products which shall help them to earn their livelihood.

The CSR Policy of the Company is available on its website [www.universalsompo.com](http://www.universalsompo.com)

**b. The Current composition of the CSR Committee as on 19th May, 2017**

1. Mr. O. N. Singh - Chairman
2. Mr. Rajiv Kumar
3. Mr. Ram Niwas Jain
4. Mr. Keita Hashiba

The CSR Committee meeting were held on 11/07/2016 and 22/09/2016 during the year under review.

**c. Average net profits of the Company for last three financial years: ₹ 264,316,643/-**

Particulars	Profits / (Losses) Before Taxes (Amount in ₹)
FY 2015-16	415,940,499
FY 2014-15	279,136,521
FY 2013-14	97,872,908
Average Profit for the 3 immediate preceding financial years	264,316,643
Minimum Amount to be Spend on CSR Activities during the FY 2016-17 as per Companies Act, 2013	5,286,333

**d. Minimum amount on account of CSR that is required to be spend: ₹ 5,286,333/-**

**e. Details of CSR spent during the financial year:**

- i. Total amount to be spent for the FY: ₹ 5,286,333/-
- ii. Amount spent: ₹ 5,444,000/-
- iii. Amount unspent, if any: Nil

**iv. Manner in which the amount spent during the FY is detailed below:**

CSR project or activity identified	Sector in which project is covered	Project or program Local Areas or Specify the state & district where project or program was undertaken	Amount outlay (budget) project or program wise	Amount spent on the project or program Sub-heads Direct expenditure on project or program Overheads	Cumulative expenditure up-to the reporting period	Amount spent Direct or through implementing agency
Skill Development Program for unemployed youth	Livelihood	1. Maharashtra Mumbai 2. Uttar Pradesh Lucknow & Varanasi 3. Delhi - Gurgaon & Noida 4. Kolkata	5,286,333	5,444,000	5,444,000	Direct

**f. In case of any failure regarding spending minimum amount, disclosure of the same is required to be made along with the reasons for not spending the amount in the Director's Report.- Not Applicable**

**g. A responsibility statement of CSR committee that the implementation and monitoring of CSR policy, is in compliance with the CSR objective and policy of the Company.**

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

Sd/-  
**Ram Niwas Jain**  
(Independent Director)  
DIN No: 00671720

Sd/-  
**O. N. Singh**  
(Chairman of CSR Committee)  
DIN No: 00182616

**ANNEXURE 4**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017**

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

To,  
The Members,  
Universal Sampo General Insurance Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Universal Sampo General Insurance Company Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Universal Sampo General Insurance Company Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Other laws applicable specifically to the Company:-
  - (a) Insurance Act, 1938;
  - (b) Insurance Regulatory and Development Authority Act, 1999;
  - (c) General Insurance Business (Nationalization) Act, 1972.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 & SS-2).

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

As per Section 188(1) of the Companies Act 2013, the Company has carried out certain related party transactions during the Financial Year 2016-17. However, the Company has confirmed that the Transactions are in ordinary course of business and at arm's length price.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period of Audit, all the decisions in the Board meetings were carried out unanimously.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor and Internal Auditor for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in Annexure II.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as mentioned above and listed in Annexure II

We further report that during the audit period there were no specific events/ actions having a major bearing on the Company's affairs.

Pramod S. Shah & Associates  
(Practising Company Secretaries)

Sd/-  
**Pramod Shah – Partner**  
**Pramod S. Shah & Associates**  
**FCS No. 334**  
**C.O.P. No.: 3804**

Place: Mumbai  
Date: 14th June, 2017

### Annexure I

To,  
The Members  
Universal Sompo General Insurance Company Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

### Annexure II

1. Professional Tax Act, 1975 and Rules;
2. Payment of Gratuity Act, 1972;
3. Contract Labour (R&A) Act, 1970;
4. Employees State Insurance Act, 1947;
5. Employees' Provident Fund & Misc provisions Act, 1952;
6. Equal Remuneration Act, 1976;
7. Minimum Wages Act, 1948;
8. Payment of Bonus Act, 1965;
9. Shop and Establishment Act, 1948;
10. Income Tax Act, 1961;
11. Finance Act, 1994

Pramod S. Shah & Associates  
(Practising Company Secretaries)

Sd/-

**Pramod Shah - Partner**  
**Pramod S. Shah & Associates**  
**FCS No. 334**  
**C.O.P. No.: 3804**

Place: Mumbai  
Date: 14th June, 2017



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



## Farmer's Package Policy (CSC)

- **Covers Personal Accident (Death | Permanent disablement)**
- **Covers for loss or damage due to Fire, Earthquake, Burglary and Theft etc.**
- **Insure your Cattle | Tractor (Trolley) | Pump Set | Animal Driven Cart | Bio Gas Plant**

**Toll Free No. 1800 200 5142 | Log on to [www.universalsampo.com](http://www.universalsampo.com)**

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

ENG/FPP/AR/073/AUG2017 | IRDAI 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@universalsampo.com](mailto:contactus@universalsampo.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. IRDAI or its officials do not involve in activities like sale of any kind of insurance or financial products nor invest premiums. IRDAI 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. UIN# USG-OT-P16-41-V01-15-16



# Karnataka Bank in association with Universal Sompo General Insurance Co. Ltd.

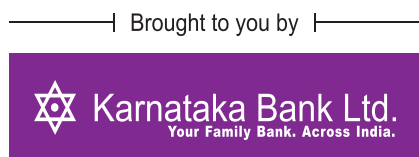
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## Health Insurance that safeguards you and your loved ones ...

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- Premium payment facility through auto debit from your K Bank a/c.
- Option to cover 2 Dependent Parents.
- Income Tax Benefit u/s 80(D) of IT Act.

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

## 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 of India ('IRDAI') (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 31st, 2017, the Management of the Company submits the following Report:

1. The company obtained regulatory approval to undertake General Insurance business on November 16th, 2007 from Insurance Regulatory Development Authority of India (IRDAI) and holds a valid certificate of registration.
2. To the best of our knowledge and belief, all the dues payable to the statutory authorities for the year ended March 31st, 2017 have been duly paid.
3. We confirm that the shareholding pattern during the year ended March 31st, 2017 was in accordance with the Statutory and or regulatory requirements.
4. We declare that the funds of the holders of policies issued in India have not been directly or indirectly invested outside India.
5. 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 March 31st, 2017 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 IRDAI Regulations.
7. The entire gross risk exposure of the portfolio consists of fire, engineering, motor, casualty, health, personal accident, rural, crop insurance 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 as per revised IRDAI guidelines of IRDAI for filing of products.

The Company has put in place a reinsurance program. The risks underwritten by the Company are covered adequately by the reinsurance treaties as per reinsurance program which cover both the gross risks through proportional treaties and net risks through non-proportional treaties. The Company monitors the exposure 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 March 31st, 2017.
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)

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.

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 portfolio as on March 31st, 2017 is ₹ 16,259 millions (Refer schedule 8 & 8A, previous year ₹ 10,864 millions). Income from investment operations for the period ended March 31st, 2017 is ₹ 1,217 millions (previous year ₹ 965 millions).

Investments other than deposits with the banks and units of mutual funds, 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+/A1+ rated bonds/debt securities.

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 and are within the investment Regulations and guidelines of IRDAI.

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 March 31st, 2017, and of the operating profit of the Fire, Marine and 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) read with the Insurance Laws (Amendment) Act, 2015 including various amendments, circulars and regulation issued by IRDAI from time to time and the provisions of the Companies Act, 2013 in the manner so required, 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 Company are interested is given as Annexure 3 for the period ended March 31st, 2017.

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

Sd/-  
**O. N. Singh**  
 Chairman

Sd/-  
**Ashok Kumar Roy**  
 Director

Sd/-  
**Rajiv Kumar**  
 Managing Director & CEO

Sd/-  
**Sarvesh Agrawal**  
 Chief Financial Officer

**Place:** Mumbai  
**Date:** May 19th, 2017

Sd/-  
**Shilpa Mantri**  
 Company Secretary

# UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

## Annexure 1

### DETAILS OF CLAIMS OUTSTANDING DURING THE PRECEDING FIVE YEARS

As at March 31st, 2017

Product		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	Total Amount	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount		
30 days	39	899	75	130	-	1,904	530	44	297	7	1	44	86	1,081	375	-	-	9	8	-	-	-	-	-	169	187	3,372	2,512		
30days to 6 months	109	4,361	76	664	-	484	586	857	4,415	9	26	16	103	202	137	-	-	20	94	-	-	-	-	-	108	45,456	1,881	55,841		
6 months to 1 year	16	2,853	-	-	-	4	24	696	3,447	-	-	-	-	-	-	-	-	6	89	-	-	-	-	-	15	72	737	6,485		
1 year to 5 years	18	5,463	1	296	-	-	-	3,043	13,880	1	2	-	-	-	-	-	-	11	185	-	-	-	-	-	71	312	3,145	20,137		
5 years and above	7	123	-	-	-	-	-	304	1,330	-	-	-	-	-	-	-	-	1	10	-	-	-	-	-	21	59	333	1,522		
Grand Total	189	13,699	152	1,089	-	2,392	1,139	4,944	23,369	17	28	60	189	1,283	512	-	-	47	385	-	-	-	-	-	384	46,087	9,468	86,498		

As at March 31st, 2016

Product	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	Total Amount
		No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	Total Nos	Total Amount
30 days	40	4,001	79	100	-	1,584	392	59	282	14	9	51	57	1,521	532	-	-	13	193	-	-	1	0	220	186	3,582	5,732
30 days to 6 months	291	11,198	88	823	-	1,053	988	652	3,509	16	8	82	90	819	263	-	-	43	221	-	-	1	147	219	643	3,264	17,870
6 months to 1 year	23	753	5	231	-	2	38	680	2,848	-	-	-	-	-	-	-	-	9	84	-	-	-	-	17	72	736	4,027
1 year to 5 years	19	1,629	2	208	-	-	-	3,615	17,131	-	-	-	-	-	-	-	-	9	385	-	-	3	5	114	671	3,762	20,030
5 years and above	3	93	-	-	-	-	-	123	480	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17	44	143	617
<b>Grand Total</b>	<b>376</b>	<b>17,675</b>	<b>174</b>	<b>1,363</b>	<b>-</b>	<b>2,639</b>	<b>1,398</b>	<b>5,129</b>	<b>24,251</b>	<b>30</b>	<b>17</b>	<b>133</b>	<b>147</b>	<b>2,940</b>	<b>794</b>	<b>-</b>	<b>-</b>	<b>74</b>	<b>883</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>152</b>	<b>587</b>	<b>1,596</b>	<b>11,487</b>	<b>48,276</b>

As at March 31st, 2015

Product	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	Total Amount
		No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	Total Nos	Total Amount
30 days	39	962	55	154	-	1,316	191	98	269	27	2	43	26	2,449	721	2	1	7	57	-	-	-	0	234	238	4,270	2,621
30 days to 6 months	95	8,787	26	34	-	725	245	822	4,512	20	7	52	53	442	127	-	-	16	275	-	-	-	-	239	3,058	2,437	17,097
6 months to 1 year	13	1,569	1	2	-	-	-	1,311	6,218	-	-	-	-	-	-	-	-	2	8	-	-	3	5	49	328	1,379	8,129
1 year to 5 years	24	3,611	2	304	-	-	-	3,380	14,142	-	-	-	-	-	-	-	-	4	459	-	-	-	-	145	799	3,555	19,314
5 years and above	3	127	-	-	-	-	-	14	67	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	12	21	206
<b>Grand Total</b>	<b>174</b>	<b>15,055</b>	<b>84</b>	<b>493</b>	<b>-</b>	<b>2,041</b>	<b>435</b>	<b>5,625</b>	<b>25,208</b>	<b>47</b>	<b>9</b>	<b>95</b>	<b>79</b>	<b>2,891</b>	<b>848</b>	<b>2</b>	<b>1</b>	<b>29</b>	<b>799</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>5</b>	<b>671</b>	<b>4,435</b>	<b>11,662</b>	<b>47,968</b>



UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

Annexure 1 (Continued)

DETAILS OF CLAIMS OUTSTANDING DURING THE PRECEDING FIVE YEARS

As at March 31st, 2014

Losses as at March 31st, 2014																											(₹ in Lakhs)			
Product		Fire		Marine Cargo		Marine Others		Motor-OD		Motor-TP		Workmen's Compensation		Personal Accident		Health		Public/Product Liability		Engineering		Aviation		Trade Credit		Others		Total		
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	Nos	Total Amount
30 days	37	3,072	51	291	-	-	1,157	1,819	73	15,400	6	96	41	202	1,532	1,891	1	37	12	229	-	2	8	20	178	342	3,096	23,401		
30days to 6 months	105	3,134	55	155	-	-	901	953	1,026	4,726	19	8	26	33	584	202	-	-	23	887	-	-	-	-	255	827	2,994	10,925		
6 months to 1 year	27	1,647	5	42	-	-	1	17	1,572	6,765	-	-	-	-	1	5	-	-	3	164	-	-	-	-	82	627	1,691	9,268		
1 year to 5 years	22	854	2	295	-	-	-	-	2,421	9,108	-	-	-	-	-	-	-	-	3	209	-	-	1	1	137	604	2,586	11,071		
5 years and above	-	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	
Grand Total	191	8,707	113	783	-	-	2,059	2,789	5,093	36,000	25	105	67	235	2,117	2,098	1	37	41	1,489	-	2	9	21	652	2,401	10,368	54,666		

As at March 31st, 2013

Losses as at March 31st, 2013																											₹ in Lakhs																										
Product	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	Total Amount																									
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount																											
Period	34	885	57	302	-	1,408	979	255	16,674	10	102	34	145	1,217	1,010	1	35	10	225	-	2	6	13	188	281	3,220	20,654																										
	103	1,042	76	152	-	1,553	1,318	1,443	4,543	30	21	47	42	488	155	-	-	27	150	-	-	6	27	263	630	4,036	8,081																										
	38	1,154	6	36	-	184	360	461	1,658	9	14	8	8	2	24	-	-	8	327	-	-	-	-	59	314	775	3,893																										
	18	663	1	300	-	12	62	1,199	4,447	-	-	-	-	-	-	-	-	3	100	-	-	-	-	96	316	1,329	5,888																										
5 years and above																											-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total		193	3,743	140	790	-	3,157	2,719	3,358	27,322	49	137	89	195	1,707	1,189	1	35	48	802	-	2	12	40	606	1,540	9,360	38,516																									

Note: The above figures are excluding IBNR/IBNER.



## UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

### Annexure 2

#### DETAILS OF CLAIM SETTLEMENT TIME FOR THE PRECEDING FIVE YEARS

LOB	2012-13		2013-14		2014-15		2015-16		2016-17	
	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	773	125	995	121	1,018	101	1,301	90	1,061	85
Marine Cargo	1,897	45	2,450	36	3,013	26	2,955	23	3,702	24
Marine Hull	-	-	-	-	-	-	2	51	-	-
Motor (Excl. TP)	32,565	49	31,895	47	36,748	35	50,220	32	71,656	27
Workmen's Compensation	115	142	171	140	355	66	308	56	168	73
Personal Accident	453	109	557	94	695	62	858	61	1,263	57
Health	18,290	20	27,612	20	41,403	19	48,636	19	34,073	19
Public/Product Liability	-	-	-	-	1	30	11	42	4	12
Engineering	110	139	160	140	151	104	152	89	187	100
Aviation	-	-	-	-	-	-	-	-	-	-
Trade Credit	1	15	12	149	8	154	9	79	5	403
Miscellaneous	1,040	111	1,083	99	1,096	109	1,333	88	1,254	71
Rural	3,386	39	4,435	37	3,607	38	3,140	46	3,050	40
<b>Total</b>	<b>58,630</b>	<b>42</b>	<b>69,370</b>	<b>38</b>	<b>88,095</b>	<b>29</b>	<b>108,925</b>	<b>28</b>	<b>116,423</b>	<b>26</b>

**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

(₹ in Lakhs)

Sr. No.	Name of the Director	Entity in which Director is interested	Interested as	Amount
1	Mr. Rakesh Sethi	Allahabad Bank	Director	1,289.14
2	Mr. R. Koteeswaran	Indian Overseas Bank	Director	958.93
3	Mr. Ananthakrishna	The Karnataka Bank	Director	505.06
	Mr. Mahabaleshwara M.S.			
4	Mr. Nobuhiro Hiromi Kojima	Sompo Japan Nipponkoa Insurance Inc.	Director	1,507.76
5	Mr. Mohit Burman	Dabur Investment Corporation	Director	261.00

#### Sitting Fees paid to Directors

(₹ in Lakhs)

Sr.No.	Name of the Director	Amount	Nature of payments
1	Mr. O N Singh	13.35	Director sitting Fee
2	Mr. Taketoshi Nagaoka	9.25	Director sitting Fee
3	Mr. Rajiv Kumar	8.00	Director sitting Fee
4	Mr. Ram Niwas Jain	6.75	Director sitting Fee
5	Mr. Kuniaki Bumpei Takahashi	6.65	Director sitting Fee
6	Mr. Ananthakrishna	6.45	Director sitting Fee
7	Mr. Mohit Burman	4.40	Director sitting Fee
8	Mr. Ashok Kumar Roy	4.00	Director sitting Fee
9	Mr. Katsuyuki Masahiro Tajiri	3.90	Director sitting Fee
10	Mr. C R Muralidharan	3.40	Director sitting Fee
11	Mr. Rakesh Sethi	3.05	Director sitting Fee
12	Ms. Radha Venkatakrishnan	2.80	Director sitting Fee
13	Mr. Mahabaleshwara M.S.	1.50	Director sitting Fee
14	Mr. R. Koteeswaran	0.30	Director sitting Fee
15	Mr. R K Kaul	0.15	Director sitting Fee
16	Mr. Nobuhiro Hiromi Kojima	0.15	Director sitting Fee

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## INDEPENDENT AUDITOR'S REPORT

To

The Members of Universal Sampo General Insurance Company Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **Universal Sampo General Insurance Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31st, 2017, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act"), with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and receipt and payments of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Insurance Act, 1938 (the "Insurance Act") read with the Insurance Laws (Amendment) Act, 2015, 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 "IRDAI Financial Statements Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority of India ("IRDAI") in this behalf. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

We have taken into account the provision of the Act, the Insurance Act, 1938 (the "Insurance Act") read with the Insurance Laws (Amendment) Act, 2015, 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 "IRDAI Financial Statements Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority of India ("IRDAI"), the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements are prepared in accordance with the requirements of the Insurance Act, 1938 read with the Insurance Laws (Amendment) Act, 2015, 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 read with the Act (i.e. Companies Act, 2013) and give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to insurance company

- (i) In case of Balance sheet of the state of affairs of the Company as at March 31st, 2017,
- (ii) In case of Revenue Accounts operating profits under Fire, Marine & Miscellaneous Revenue Account,
- (iii) Its Profit so far as it relates to the Profit & Loss Account and Receipts and Payments Account for the year ended on that date.

## 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 May 19th, 2017 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 Section 143(3) of the Companies Act, 2013, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory.;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.;
  - (c) As the Company's financial accounting system is 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 dealt with by this report are in agreement with the books of account.;
  - (e) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Sections 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent 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) In our opinion, the accounting policies selected by the company are appropriate and are in compliance with the applicable Accounting standards specified under section 133 of Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014 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 (the "IRDAI Financial Statements Regulations") and orders / direction issued by the IRDAI in this regard.
  - (h) The actuarial valuation of liabilities in respect of Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) as at March 31st, 2017 other than for reinsurance accepted from Declined Risk Pool (DR Pool) has been duly certified by the 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 IRDAI and Actuarial Society of India in concurrence with the IRDAI. In respect of reinsurance accepted from DR Pool, IBNR/IBNER has been recognised based on estimates received from DR Pool.
  - (i) On the basis of written representations received from the directors as on March 31st, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - (j) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 3, of Schedule 16, to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
4. Further, on the basis of examination of books and records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:
- (a) We have reviewed the Management Report attached to the financial statements for the year ended March 31st, 2017 and there are no apparent mistakes or material inconsistencies with the financial statements; and
  - (b) Based on the information and explanations received during the course of our audit and management representation by officers of the Company charged with compliance, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of the registration as stipulated by the IRDAI.

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

**For V. K. Jindal & Co.**  
**Chartered Accountants**

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

Sd/-  
**V. K. Jindal**  
Partner  
Membership No. 070666  
Firm Reg. No. 001468C

**Place:** Mumbai  
**Date:** May 19th, 2017

## ANNEXURE 'A'

### TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Universal Sompo General Insurance Company Limited ("the Company") as of March 31st, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2017, based on, “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”

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

**For V. K. Jindal & Co.**  
**Chartered Accountants**

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

Sd/-  
**V. K. Jindal**  
Partner  
Membership No. 070666  
Firm Reg. No. 001468C

**Place:** Mumbai  
**Date:** May 19th, 2017

## 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 Sampo General Insurance Company Limited for the year ended March 31st, 2017, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31st, 2017 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 of India (IRDAI);
3. We have verified the cash balances, to the extent considered necessary, the securities relating to the Company's investments as at March 31st, 2017, 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 Ramesh C. Agrawal & Co.**  
**Chartered Accountants**

**For V. K. Jindal & Co**  
**Chartered Accountants**

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

Sd/-  
**V. K. Jindal**  
Partner  
Membership No. 070666  
Firm Reg. No. 001468C

**Place:** Mumbai

**Date:** May 19th, 2017



## UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 134, dated November 16, 2007

Balance Sheet as at March 31, 2017

(₹ in 000's)			
Particulars	Schedule	At March 31, 2017	At March 31, 2016
<b>Sources of Funds</b>			
Share Capital	5	3,500,000	3,500,000
Reserves and Surplus	6	858,000	858,000
Fair Value Change Account			
- Shareholders		(358)	(3,881)
- Policyholders		(2,664)	(21,251)
Borrowings	7	-	-
<b>Total</b>		<b>4,354,978</b>	<b>4,332,868</b>
<b>Application of Funds</b>			
<b>Investments</b>			
- Shareholders	8	1,925,120	1,677,407
- Policyholders	8A	14,334,200	9,186,289
Loans	9	-	-
Fixed Assets	10	277,401	253,137
Deferred Tax Asset (Net) (Refer note no. 19)		16,819	31,408
<b>Current Assets</b>			
Cash and Bank Balances	11	863,251	840,777
Advances and Other Assets	12	6,902,501	4,655,593
<b>Sub-Total (A)</b>		<b>7,765,752</b>	<b>5,496,370</b>
Current Liabilities	13	17,268,008	10,127,600
Provisions	14	3,518,758	3,496,422
<b>Sub-Total (B)</b>		<b>20,786,766</b>	<b>13,624,022</b>
<b>Net Current Assets (C) = (A - B)</b>		<b>(13,021,014)</b>	<b>(8,127,652)</b>
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		822,452	1,312,279
<b>Total</b>		<b>4,354,978</b>	<b>4,332,868</b>

Significant accounting policies and notes to accounts

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

As per our attached report of even date.

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

Chartered Accountants

Sd/-

**R. C. Agrawal**

Partner

Membership No. 070229

Firm Reg. No.001770C

**For V. K. Jindal & Co.**

Chartered Accountants

Sd/-

**V. K. Jindal**

Partner

Membership No. 070666

Firm Reg. No. 001468C

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

Sd/-

**O. N. Singh**

Chairman

DIN no.00182616

Sd/-

**Rajiv Kumar**

Managing Director & CEO

DIN no.07633092

Sd/-

**Ashok Kumar Roy**

Director

DIN no. 02736752

Sd/-

**Sarvesh Agrawal**

Chief Financial Officer

Membership no. 111185

Sd/-

**Shilpa Mantri**

Company Secretary

Membership no. A22028

**Place:** Mumbai

**Date:** May 19th, 2017

## UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 134, dated November 16, 2007  
Profit and Loss Account for the Year ended March 31, 2017

		(₹ in 000's)	
Particulars	Schedule	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Operating Profit / (Loss)</b>			
(a) Fire Insurance		324,056	52,380
(b) Marine Insurance		50,841	8,431
(c) Miscellaneous Insurance		159,361	120,987
		534,258	181,798
<b>Income from Investments</b>			
(a) Interest, Dividend and Rent - Gross		276,529	237,397
(b) Profit on sale / redemption of investments		55,977	17,721
Less : Loss on sale of investments		(310)	(3,961)
(c) Amortization of Discount / (Premium)		(7,118)	(4,805)
		325,078	246,352
<b>Other Income (To be specified)</b>			
Miscellaneous Income		-	56
Profit on Sale / Write off of Fixed Assets (Net)		3	-
<b>Total (A)</b>		<b>859,339</b>	<b>428,206</b>
<b>Provisions (Other than taxation)</b>			
(a) For diminution in the value of investments		-	-
(b) For doubtful debts		-	-
(c) Others		-	-
<b>Other Expenses</b>			
(a) Expenses other than those related to Insurance Business		-	-
(b) Bad debts written off		-	-
(c) Others (To be specified)		-	-
Director Sitting fees and Board meeting expenses		9,195	2,402
CSR Expenditure		5,444	2,709
Penalty		-	1,500
Profit on Sale / Write off of Fixed Assets (Net)		-	1,284
Operating expenses to be borne by shareholders (Refer note no. 2.16)		340,284	-
		354,923	7,895
<b>Total (B)</b>		<b>354,923</b>	<b>7,895</b>
<b>Profit / (Loss) Before Tax (A) - (B)</b>		<b>504,416</b>	<b>420,311</b>
<b>Provision for taxation</b>			
(a) Current tax / MAT		106,896	80,762
Less MAT Credit Entitlement		(106,896)	(80,762)
(b) Deferred tax		14,589	(16,271)
(c) Fringe benefits tax		-	-
(d) Wealth tax		-	-
<b>Profit / (Loss) After Tax</b>		<b>489,827</b>	<b>436,582</b>
<b>Appropriations</b>			
(a) Interim dividends paid during the year		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		-	-
(d) Transfer to any Reserves or Other Accounts		-	-
<b>Balance of Profit / (Loss) brought forward from last year</b>		<b>(1,312,279)</b>	<b>(1,748,861)</b>
<b>Balance carried forward to Balance Sheet</b>		<b>(822,452)</b>	<b>(1,312,279)</b>
<b>EARNINGS PER SHARE</b>			
<b>Basic (in Rupees) (Refer note no. 20)</b>		1.40	1.25
<b>Diluted (in Rupees) (Refer note no. 20)</b>		1.40	1.25
<b>Nominal Value per Equity Share (in Rupees)</b>		10.00	10.00

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Schedules referred to above form an integral part of the Financial Statements  
As per our attached report of even date.

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

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

**For V. K. Jindal & Co.**

Chartered Accountants  
Sd/-  
**V. K. Jindal**  
Partner  
Membership No. 070666  
Firm Reg. No. 001468C

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

Sd/-  
**O. N. Singh**  
Chairman  
DIN no.00182616  
  
Sd/-  
**Rajiv Kumar**  
Managing Director & CEO  
DIN no.07633092

Sd/-  
**Ashok Kumar Roy**  
Director  
DIN no. 02736752  
  
Sd/-  
**Sarvesh Agrawal**  
Chief Financial Officer  
Membership no. 111185  
  
Sd/-  
**Shilpa Mantri**  
Company Secretary  
Membership no. A22028

Place: Mumbai  
Date: May 19th, 2017

## 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, 2017

(₹ in 000's)

Particulars	Schedule	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Income</b>			
Premium earned (Net)	1	585,521	551,843
Profit / (Loss) on sale / redemption of Investments		18,617	4,815
Amortization of Discount / (Premium)		(2,381)	(1,681)
Interest, Dividend and Rent - Gross		92,483	83,073
Others - Miscellaneous Income (Terrorism Pool)		10,210	17,886
Foreign Exchange (Gain) / Loss		-	-
<b>Total (A)</b>		<b>704,450</b>	<b>655,936</b>
<b>Expenditure</b>			
Claims Incurred (Net)	2	152,279	285,033
Commission	3	31,620	95,921
Operating Expenses related to Insurance Business	4	196,495	222,602
Premium Deficiency		-	-
Others		-	-
<b>Total (B)</b>		<b>380,394</b>	<b>603,556</b>
<b>Operating Profit / (Loss) from Fire Business (C) = (A) - (B)</b>		<b>324,056</b>	<b>52,380</b>
<b>Appropriations</b>			
Transfer to Shareholders' Account		324,056	52,380
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>324,056</b>	<b>52,380</b>

Significant accounting policies and notes to accounts  
Schedules referred to above form an integral part of the Financial Statements

16

We certify that, to the best of our knowledge and according to the information and explanation given to us, and so far as appears from our examination of the company's book of account, all expenses of management, wherever incurred whether directly or indirectly, have been fully recognised in the revenue accounts as an expense to the extent allowable under Insurance Regulatory and Development Authority of India (Expense of Management of Insurers transacting General or Health Insurance business) Regulation, 2016

As per our attached report of even date.

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

Chartered Accountants

Sd/-

**R. C. Agrawal**

Partner

Membership No. 070229

Firm Reg. No.001770C

**For V. K. Jindal & Co.**

Chartered Accountants

Sd/-

**V. K. Jindal**

Partner

Membership No. 070666

Firm Reg. No. 001468C

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

Sd/-

**O. N. Singh**

Chairman

DIN no.00182616

Sd/-

**Rajiv Kumar**

Managing Director & CEO

DIN no.07633092

Sd/-

**Ashok Kumar Roy**

Director

DIN no. 02736752

Sd/-

**Sarvesh Agrawal**

Chief Financial Officer

Membership no. 111185

Sd/-

**Shilpa Mantri**

Company Secretary

Membership no. A22028

**Place:** Mumbai

**Date:** May 19th, 2017

## 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, 2017

(₹ in 000's)

Particulars	Schedule	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Income</b>			
Premium earned (Net)	1	66,222	72,581
Profit / (Loss) on sale / redemption of Investments		1,005	391
Amortization of Discount / (Premium)		(128)	(136)
Interest, Dividend and Rent - Gross		4,992	6,742
Others - Miscellaneous Income		-	-
Foreign Exchange (Gain) / Loss		-	-
<b>Total (A)</b>		<b>72,091</b>	<b>79,578</b>
<b>Expenditure</b>			
Claims Incurred (Net)	2	29,044	60,329
Commission	3	(22,238)	(12,735)
Operating Expenses related to Insurance Business	4	14,444	23,553
Premium Deficiency		-	-
Others		-	-
<b>Total (B)</b>		<b>21,250</b>	<b>71,147</b>
<b>Operating Profit / (Loss) from Marine Business (C) = (A) - (B)</b>		<b>50,841</b>	<b>8,431</b>
<b>Appropriations</b>			
Transfer to Shareholders' Account		50,841	8,431
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>50,841</b>	<b>8,431</b>
Significant accounting policies and notes to accounts	16		

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

We certify that, to the best of our knowledge and according to the information and explanation given to us, and so far as appears from our examination of the company's book of account, all expenses of management, wherever incurred whether directly or indirectly, have been fully recognised in the revenue accounts as an expense to the extent allowable under Insurance Regulatory and Development Authority of India (Expense of Management of Insurers transacting General or Health Insurance business) Regulation, 2016

As per our attached report of even date.

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

Chartered Accountants

Sd/-

**R. C. Agrawal**

Partner

Membership No. 070229

Firm Reg. No. 001770C

**For V. K. Jindal & Co.**

Chartered Accountants

Sd/-

**V. K. Jindal**

Partner

Membership No. 070666

Firm Reg. No. 001468C

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

Sd/-

**O. N. Singh**

Chairman

DIN no. 00182616

Sd/-

**Rajiv Kumar**

Managing Director & CEO

DIN no. 07633092

Sd/-

**Ashok Kumar Roy**

Director

DIN no. 02736752

Sd/-

**Sarvesh Agrawal**

Chief Financial Officer

Membership no. 111185

Sd/-

**Shilpa Mantri**

Company Secretary

Membership no. A22028

**Place:** Mumbai

**Date:** May 19th, 2017

## 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, 2017

(₹ in 000's)

Particulars	Schedule	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Income</b>			
Premium earned (Net)	1	5,972,776	4,681,140
Profit / (Loss) on sale / redemption of Investments		133,102	34,911
Amortization of Discount / (Premium)		(17,020)	(12,191)
Interest, Dividend and Rent - Gross		661,193	602,306
Others - Miscellaneous Income (Terrorism Pool and Motor Pool)		1,745	3,904
Foreign Exchange (Gain) / Loss		-	-
<b>Total (A)</b>		<b>6,751,796</b>	<b>5,310,070</b>
<b>Expenditure</b>			
Claims Incurred (Net)	2	4,516,127	3,410,754
Commission	3	(24,006)	(12,520)
Operating Expenses related to Insurance Business	4	2,098,674	1,789,646
Premium Deficiency		-	-
Others		-	-
- Contribution to Solatium Fund		1,640	1,203
<b>Total (B)</b>		<b>6,592,435</b>	<b>5,189,083</b>
<b>Operating Profit / (Loss) from Miscellaneous Business (C) = (A) - (B)</b>		<b>159,361</b>	<b>120,987</b>
<b>Appropriations</b>			
Transfer to Shareholders' Account		159,361	120,987
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>159,361</b>	<b>120,987</b>
Significant accounting policies and notes to accounts			
Schedules referred to above form an integral part of the Financial Statements	16		

We certify that, to the best of our knowledge and according to the information and explanation given to us, and so far as appears from our examination of the company's book of account, all expenses of management, wherever incurred whether directly or indirectly, have been fully recognised in the revenue accounts as an expense to the extent allowable under Insurance Regulatory and Development Authority of India (Expense of Management of Insurers transacting General or Health Insurance business) Regulation, 2016

As per our attached report of even date.

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

Chartered Accountants

Sd/-

**R. C. Agrawal**

Partner

Membership No. 070229

Firm Reg. No.001770C

**For V. K. Jindal & Co.**

Chartered Accountants

Sd/-

**V. K. Jindal**

Partner

Membership No. 070666

Firm Reg. No. 001468C

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

Sd/-

**O. N. Singh**

Chairman

DIN no.00182616

Sd/-

**Rajiv Kumar**

Managing Director & CEO

DIN no.07633092

Sd/-

**Ashok Kumar Roy**

Director

DIN no. 02736752

Sd/-

**Sarvesh Agrawal**

Chief Financial Officer

Membership no. 111185

Sd/-

**Shilpa Mantri**

Company Secretary

Membership no. A22028

**Place:** Mumbai

**Date:** May 19th, 2017



UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED  
SCHEDULE FORMING PART OF REVENUE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

SCHEDULE - 1

PREMIUM EARNED [NET]

(₹ in 000's)

Particulars	MARINE			MISCELLANEOUS										Year Ended March 31, 2017	
	Marine Cargo	Marine Hull	Marine Total	Motor OD	Motor TP	Motor Total	Workmen's Compensa- tion	Personal Accident	Health Insurance	Public/ Product Liability	Engineering	Aviation	Trade Credit	Others*	Total
Premium from direct business written (net of service tax)	165,921	52,793	218,714	2,286,764	1,639,605	3,926,369	12,818	207,297	908,138	5,146	90,025	18	2,150	6,189,621	11,341,582
Add: Premium on reinsurance accepted	-	-	-	-	(957)	(957)	-	-	-	-	5,404	-	-	39	4,486
Less : Premium on reinsurance ceded	118,182	52,012	170,194	136,880	118,184	255,064	3,824	48,615	122,403	2,691	56,061	15	2,042	4,911,499	5,402,014
<b>Net Premium</b>	<b>47,739</b>	<b>781</b>	<b>48,520</b>	<b>2,149,884</b>	<b>1,520,464</b>	<b>3,670,348</b>	<b>9,194</b>	<b>158,682</b>	<b>785,735</b>	<b>2,455</b>	<b>39,368</b>	<b>3</b>	<b>108</b>	<b>1,278,161</b>	<b>5,944,054</b>
Adjustment for change in Reserve for Unexpired Risks	18,390	(888)	17,702	67,984	(159,542)	(91,558)	2,165	(28,081)	64,349	4,494	9,461	-	107	67,785	28,722
<b>Total Premium Earned (Net)</b>	<b>66,129</b>	<b>93</b>	<b>66,222</b>	<b>2,217,868</b>	<b>1,360,922</b>	<b>3,578,790</b>	<b>11,359</b>	<b>130,601</b>	<b>850,084</b>	<b>6,949</b>	<b>48,829</b>	<b>3</b>	<b>215</b>	<b>1,345,946</b>	<b>5,972,776</b>
<b>Premium, less reinsurance, written from business</b>															
In India	47,739	781	48,520	2,149,884	1,520,464	3,670,348	9,194	158,682	785,735	2,455	39,368	3	108	1,278,161	5,944,054
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Net Premium</b>	<b>47,739</b>	<b>781</b>	<b>48,520</b>	<b>2,149,884</b>	<b>1,520,464</b>	<b>3,670,348</b>	<b>9,194</b>	<b>158,682</b>	<b>785,735</b>	<b>2,455</b>	<b>39,368</b>	<b>3</b>	<b>108</b>	<b>1,278,161</b>	<b>5,944,054</b>

(₹ in 000's)

Particulars	MARINE			MISCELLANEOUS										Year Ended March 31, 2016	
	Marine Cargo	Marine Hull	Marine Total	Motor OD	Motor TP	Motor Total	Workmen's Compensa- tion	Personal Accident	Health Insurance	Public/ Product Liability	Engineering	Aviation	Trade Credit	Others*	Total
Premium from direct business written (net of service tax)	145,315	23,340	168,655	1,955,163	1,202,510	3,157,673	19,569	145,756	1,338,745	5,775	199,767	-	6,211	2,685,393	7,558,879
Add: Premium on reinsurance accepted	-	-	-	-	(53,485)	(53,485)	-	-	-	-	11,669	-	-	-	(41,816)
Less : Premium on reinsurance ceded	79,420	24,564	103,984	156,710	76,188	232,898	978	31,565	170,470	5,889	133,452	-	5,700	1,929,557	2,510,509
<b>Net Premium</b>	<b>65,895</b>	<b>(1,224)</b>	<b>64,671</b>	<b>1,798,453</b>	<b>1,072,837</b>	<b>2,871,290</b>	<b>18,591</b>	<b>114,191</b>	<b>1,168,275</b>	<b>(114)</b>	<b>77,984</b>	<b>-</b>	<b>511</b>	<b>755,826</b>	<b>5,006,554</b>
Adjustment for change in Reserve for Unexpired Risks	7,949	(39)	7,910	(205,723)	(134,649)	(340,372)	1,427	(27,264)	117,855	101	(13,246)	-	(13)	(63,902)	(325,414)
<b>Total Premium Earned (Net)</b>	<b>73,844</b>	<b>(1,263)</b>	<b>72,581</b>	<b>1,592,730</b>	<b>938,188</b>	<b>2,530,918</b>	<b>20,018</b>	<b>86,927</b>	<b>1,286,130</b>	<b>(13)</b>	<b>64,738</b>	<b>-</b>	<b>498</b>	<b>691,924</b>	<b>4,681,140</b>
<b>Premium, less reinsurance, written from business</b>															
In India	65,895	(1,224)	64,671	1,798,453	1,072,837	2,871,290	18,591	114,191	1,168,275	(114)	77,984	-	511	755,826	5,006,554
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Net Premium</b>	<b>65,895</b>	<b>(1,224)</b>	<b>64,671</b>	<b>1,798,453</b>	<b>1,072,837</b>	<b>2,871,290</b>	<b>18,591</b>	<b>114,191</b>	<b>1,168,275</b>	<b>(114)</b>	<b>77,984</b>	<b>-</b>	<b>511</b>	<b>755,826</b>	<b>5,006,554</b>

\*Refer Note 17 (b)

**UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF REVENUE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017**

**SCHEDULE - 2**  
**CLAIMS INCURRED [NET]**

Particulars	MARINE			MISCELLANEOUS										Year Ended March 31, 2017	
	Marine Cargo	Marine Hull	Marine Total	Motor OD	Motor TP	Motor Total	Workmen's Compensa- tion	Personal Accident	Health Insurance	Public/ Product Liability	Engineering	Aviation	Trade Credit	Others*	Total
Claims Paid - Direct	193,531	-	193,531	1,874,907	931,122	2,806,029	3,391	190,754	1,074,903	-	55,793	-	11,992	752,016	4,894,878
Add : Reinsurance accepted	-	-	-	-	(1,762)	(1,762)	-	-	-	-	758	-	-	-	(802)
Less: Reinsurance ceded	132,982	-	132,982	148,382	43,972	192,354	170	26,927	278,967	-	33,262	-	11,392	493,497	1,917,807
<b>Net Claims Paid</b>	<b>60,549</b>	<b>-</b>	<b>60,549</b>	<b>1,726,525</b>	<b>885,388</b>	<b>2,611,913</b>	<b>3,221</b>	<b>163,827</b>	<b>795,936</b>	<b>-</b>	<b>23,289</b>	<b>-</b>	<b>600</b>	<b>258,519</b>	<b>3,857,305</b>
Add : Claims Outstanding at the end of the Year	17,314	-	17,314	157,937	4,159,951	4,317,888	3,929	47,269	49,058	200	6,458	-	472	796,327	5,221,601
Less : Claims Outstanding at the beginning of the year	48,819	-	48,819	259,187	3,847,230	4,106,417	3,662	22,062	189,282	131	33,720	-	764	206,741	4,582,779
<b>Total Claims Incurred</b>	<b>29,044</b>	<b>-</b>	<b>29,044</b>	<b>1,625,275</b>	<b>1,198,109</b>	<b>2,823,384</b>	<b>3,488</b>	<b>189,034</b>	<b>655,712</b>	<b>69</b>	<b>(3,973)</b>	<b>-</b>	<b>308</b>	<b>848,105</b>	<b>4,516,127</b>

Particulars	MARINE			MISCELLANEOUS										Year Ended March 31, 2016	
	Marine Cargo	Marine Hull	Marine Total	Motor OD	Motor TP	Motor Total	Workmen's Compensa- tion	Personal Accident	Health Insurance	Public/ Product Liability	Engineering	Aviation	Trade Credit	Others*	Total
Claims Paid - Direct	133,026	331	133,357	1,293,690	817,185	2,110,875	5,155	83,277	1,457,356	-	64,732	-	2,406	1,650,940	5,374,741
Add : Reinsurance accepted	-	-	-	-	(70,718)	(70,718)	-	-	-	-	124	-	-	-	(70,592)
Less: Reinsurance ceded	84,416	331	84,747	138,101	53,879	191,980	357	20,237	300,606	-	50,599	-	2,287	1,250,190	1,816,256
<b>Net Claims Paid</b>	<b>48,610</b>	<b>-</b>	<b>48,610</b>	<b>1,155,589</b>	<b>692,588</b>	<b>1,848,177</b>	<b>4,798</b>	<b>63,040</b>	<b>1,156,750</b>	<b>-</b>	<b>14,257</b>	<b>-</b>	<b>119</b>	<b>400,750</b>	<b>3,487,891</b>
Add : Claims Outstanding at the end of the Year	48,819	-	48,819	259,187	3,847,230	4,106,417	3,662	22,062	189,282	131	33,720	-	764	206,741	4,582,779
Less : Claims Outstanding at the beginning of the year	37,100	-	37,100	275,136	3,847,846	4,122,982	2,615	29,676	233,388	3,015	19,730	363	166	227,991	4,639,916
<b>Total Claims Incurred</b>	<b>60,329</b>	<b>-</b>	<b>60,329</b>	<b>1,139,640</b>	<b>691,972</b>	<b>1,831,612</b>	<b>5,845</b>	<b>55,426</b>	<b>1,112,644</b>	<b>(2,884)</b>	<b>28,247</b>	<b>(363)</b>	<b>717</b>	<b>379,510</b>	<b>3,410,754</b>

\*Refer Note 17 (b)

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED  
SCHEDULE FORMING PART OF REVENUE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

SCHEDULE - 3  
COMMISSION [NET]

Particulars	MARINE			MISCELLANEOUS											Year Ended March 31, 2017		
	FIRE	Marine Cargo	Marine Hull	Marine Total	Motor OD	Motor TP	Motor Total	Workmen's Compensa- tion	Personal Accident	Health Insurance	Public/ Product Liability	Engineering	Aviation	Trade Credit	Others*	Total	Grand Total
Commission Paid - Direct	79,305	14,616	-	14,616	130,702	-	130,702	1,093	9,427	103,845	294	3,324	-	426	92,768	341,879	435,800
Add: Commission on Reinsurance accepted	3,383	-	-	-	-	-	-	-	-	-	-	560	-	-	-	560	3,943
Less : Commission on Reinsurance ceded	51,068	31,480	5,374	36,854	17,152	4,099	21,251	96	7,691	29,001	114	13,657	-	32	294,603	366,445	454,367
Net Commission	31,620	(16,864)	(5,374)	(22,238)	113,550	(4,099)	109,451	997	1,736	74,844	180	(9,773)	-	394	(201,835)	(24,006)	(14,624)
Break up of Gross Commission																	
Agents	1,228	387	-	387	14,432	-	14,432	443	873	13,224	24	458	-	-	2,351	31,805	33,420
Brokers	7,069	13,908	-	13,908	78,167	-	78,167	318	2,768	17,407	152	1,733	-	426	12,059	113,030	134,007
Corporate Agents	71,008	321	-	321	36,955	-	36,955	332	5,786	71,568	118	1,133	-	-	78,358	194,250	265,579
Others - Web Aggregator	-	-	-	-	1,148	-	1,148	-	-	1,646	-	-	-	-	-	2,794	2,794
Total	79,305	14,616	-	14,616	130,702	-	130,702	1,093	9,427	103,845	294	3,324	-	426	92,768	341,879	435,800

Particulars	MARINE			MISCELLANEOUS											Year Ended March 31, 2016 (₹ in 000's)		
	FIRE	Marine Cargo	Marine Hull	Marine Total	Motor OD	Motor TP	Motor Total	Workmen's Compensa- tion	Personal Accident	Health Insurance	Public/ Product Liability	Engineering	Aviation	Trade Credit		Others*	Total
Commission Paid - Direct		98,966	10,722	-	110,112	-	110,112	1,641	12,036	133,384	373	19,004	-	772	96,548	373,870	483,558
Add: Commission on Reinsurance accepted		3,101	-	-	-	-	-	-	-	-	-	615	-	-	-	615	3,716
Less : Commission on Reinsurance ceded		6,146	20,567	2,890	17,671	-	17,671	136	4,055	45,523	1,026	28,250	-	128	290,216	387,005	416,608
Net Commission		95,921	(9,845)	(2,890)	92,441	-	92,441	1,505	7,981	87,861	(653)	(8,631)	-	644	(193,668)	(12,520)	70,666
Break up of Gross Commission																	
Agents		2,302	1,466	-	27,610	-	27,610	600	471	7,410	36	643	-	-	2,638	39,408	43,176
Brokers		7,381	7,743	-	43,229	-	43,229	697	1,962	38,962	139	15,235	-	772	8,216	109,212	124,336
Corporate Agents		89,283	1,513	-	39,273	-	39,273	344	9,603	87,012	198	3,126	-	-	85,694	225,250	316,046
Others - Web Aggregator		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		98,966	10,722	-	110,112	-	110,112	1,641	12,036	133,384	373	19,004	-	772	96,548	373,870	483,558

\*Refer Note 17 (b)

**UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF REVENUE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017**

**SCHEDULE - 4**  
**OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

(₹ in 000's)

Particulars	FIRE			MARINE			MISCELLANEOUS										Year Ended March 31, 2017	
	Marine Cargo	Marine Hull	Marine Total	Motor OD	Motor TP	Motor Total	Workmen's Compensa- tion	Personal Accident	Health Insurance	Public/ Product Liability	Engineering	Aviation	Trade Credit	Others*	Total	Grand Total		
Employees' remuneration and welfare benefits	62,377	4,518	74	4,592	162,299	114,783	277,082	870	15,017	74,361	232	3,726	-	10	120,964	492,262	559,231	
Travel, conveyance and vehicle running expenses	6,630	480	8	488	17,252	12,201	29,453	92	1,596	7,904	25	396	-	1	12,858	52,325	59,443	
Training expenses	123	9	-	9	319	226	545	2	30	146	-	7	-	-	238	968	1,100	
Rents, rates and taxes	44,521	3,225	53	3,278	115,841	81,927	197,768	621	10,719	53,075	166	2,659	-	7	86,338	351,353	399,152	
Repairs	12,060	874	14	888	31,380	22,193	53,573	168	2,904	14,378	45	720	-	2	23,388	95,178	108,126	
Printing and stationery	3,340	242	4	246	8,692	6,147	14,839	47	804	3,982	12	200	-	1	6,478	26,363	29,949	
Communication	6,109	442	7	449	15,894	11,241	27,135	85	1,471	7,282	23	365	-	1	11,846	48,208	54,766	
Legal and Professional charges	7,584	549	9	558	19,663	13,906	33,569	106	1,826	2,942	28	453	-	1	14,708	53,633	61,775	
Service Charges	18,971	1,374	22	1,396	324,702	229,639	554,341	265	9,486	22,616	71	1,133	-	3	118,872	706,787	727,154	
Auditors' fees, expenses etc.																		
a) as auditors	240	17	-	17	625	442	1,067	3	58	286	1	14	-	-	466	1,895	2,152	
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	1	-	-	-	4	3	7	-	-	2	-	-	-	3	12	13	13	
d) out of pocket expenses	2	-	-	-	5	4	9	-	-	2	-	-	-	4	15	17	17	
Advertisement and publicity	11,414	827	14	841	29,698	21,003	50,701	159	2,748	13,607	43	682	-	2	22,134	90,076	102,331	
Interest and Bank Charges	137	10	-	10	357	253	610	2	33	164	1	8	-	-	266	1,084	1,231	
Others:																		
Agents Training	13	1	-	1	34	24	58	-	3	15	-	1	-	25	102	116	116	
Recruitment Expenses	185	13	-	13	480	340	820	3	44	220	1	11	-	358	1,457	1,655	1,655	
Information Technology Expenses	10,099	732	12	744	26,278	18,584	44,862	141	2,431	12,040	38	603	-	2	19,585	79,702	90,545	
Membership & Subscription	663	48	1	49	1,725	1,220	2,945	9	160	790	2	40	-	-	1,298	5,244	5,956	
Miscellaneous Expenses	3,610	241	4	245	8,738	6,180	14,918	46	800	3,988	12	248	-	1	5,580	25,593	29,448	
Depreciation	8,416	610	10	620	21,898	15,487	37,385	117	2,026	10,033	31	503	-	1	16,321	66,417	75,453	
Service Tax on premium account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>196,495</b>	<b>14,212</b>	<b>232</b>	<b>14,444</b>	<b>785,884</b>	<b>555,803</b>	<b>1,341,687</b>	<b>2,736</b>	<b>52,156</b>	<b>227,833</b>	<b>731</b>	<b>11,769</b>	<b>-</b>	<b>32</b>	<b>461,730</b>	<b>2,098,674</b>	<b>2,309,613</b>	

\*Refer Note 17 (b)

**UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF REVENUE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017**

**SCHEDULE - 4**  
**OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

Particulars	FIRE	MARINE			MISCELLANEOUS										Year Ended March 31, 2016		
		Marine Cargo	Marine Hull	Marine Total	Motor OD	Motor TP	Motor Total	Workmen's Compensa- tion	Personal Accident	Health Insurance	Public/ Product Liability	Engineering	Aviation	Trade Credit		Others*	Total
Employees' remuneration and welfare benefits	58,986	6,241	-	6,241	170,343	101,615	271,958	1,761	10,816	110,655	-	7,386	-	48	71,589	474,213	539,440
Travel, conveyance and vehicle running expenses	5,999	635	-	635	17,335	10,341	27,676	179	1,101	11,261	-	752	-	5	7,285	48,259	54,893
Training expenses	127	13	-	13	368	219	587	4	23	239	-	16	-	-	155	1,024	1,164
Rents, rates and taxes	18,528	1,960	-	1,960	53,506	31,918	85,424	553	3,397	34,758	-	2,320	-	15	22,487	148,954	169,442
Repairs	12,624	1,336	-	1,336	36,458	21,748	58,206	377	2,315	23,683	-	1,581	-	10	15,322	101,494	115,454
Printing and stationery	3,414	361	-	361	9,859	5,881	15,740	102	626	6,404	-	428	-	3	4,143	27,446	31,221
Communication	5,906	625	-	625	17,056	10,174	27,230	176	1,083	11,079	-	740	-	5	7,168	47,481	54,012
Legal and Professional charges	12,097	1,280	-	1,280	34,934	20,839	55,773	361	2,218	22,693	-	1,515	-	10	14,681	97,251	110,628
Service Charges	67,233	7,114	-	7,114	194,159	115,822	309,981	2,007	12,328	126,126	-	8,419	-	55	81,598	540,514	614,861
Auditors' fees, expenses etc.																	
a) as auditors	219	23	-	23	632	377	1,009	7	40	410	-	27	-	-	266	1,759	2,001
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	44	5	-	5	126	75	201	1	8	82	-	5	-	-	53	350	399
d) out of pocket expenses	30	3	-	3	87	52	139	1	5	56	-	4	-	-	36	241	274
Advertisement and publicity	18,914	2,001	-	2,001	54,622	32,584	87,206	565	3,468	35,482	-	2,369	-	16	22,956	152,062	172,977
Interest and Bank Charges	71	8	-	8	206	123	329	2	13	134	-	9	-	-	86	573	652
Others:																	
Agents Training	9	1	-	1	27	16	43	-	2	17	-	1	-	-	11	74	84
Recruitment Expenses	4	-	-	-	12	7	19	-	1	8	-	1	-	-	5	34	38
Information Technology Expenses	10,434	1,104	-	1,104	30,132	17,975	48,107	311	1,913	19,574	-	1,307	-	9	12,663	83,884	95,422
Membership & Subscription	612	65	-	65	1,769	1,055	2,824	18	112	1,149	-	77	-	1	743	4,924	5,601
Miscellaneous Expenses	122	13	-	13	353	210	563	4	22	229	-	15	-	-	156	989	1,124
Depreciation	7,229	765	-	765	20,877	12,454	33,331	216	1,326	13,562	-	905	-	6	8,774	58,120	66,114
Service Tax on premium account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>222,602</b>	<b>23,553</b>	<b>-</b>	<b>23,553</b>	<b>642,861</b>	<b>383,485</b>	<b>1,026,346</b>	<b>6,645</b>	<b>40,817</b>	<b>417,601</b>	<b>-</b>	<b>27,877</b>	<b>-</b>	<b>183</b>	<b>270,177</b>	<b>1,789,646</b>	<b>2,035,801</b>

\*Refer Note 17 (b)



**UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2017**

**SCHEDULE - 5**  
**SHARE CAPITAL**

	(₹ in 000's)	
	At March 31, 2017	At March 31, 2016
<b>Authorised Capital</b>		
400,000,000 Equity Shares of Rs.10 each	4,000,000	4,000,000
<b>Issued Capital</b>		
350,000,000 Equity Shares of Rs.10 each	3,500,000	3,500,000
<b>Subscribed Capital</b>		
350,000,000 Equity Shares of Rs.10 each	3,500,000	3,500,000
<b>Called-up Capital</b>		
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	-	-
<b>TOTAL</b>	<b>3,500,000</b>	<b>3,500,000</b>

**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, 2017		At March 31, 2016	
	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%
<b>TOTAL</b>	<b>350,000,000</b>	<b>100%</b>	<b>350,000,000</b>	<b>100%</b>

**UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2017**

**SCHEDULE - 6**

**RESERVES AND SURPLUS**

	(₹ in 000's)	
	At March 31, 2017	At March 31, 2016
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	-	-
<b>TOTAL</b>	<b>858,000</b>	<b>858,000</b>

**SCHEDULE - 7**

**BORROWINGS**

	(₹ in 000's)	
	At March 31, 2017	At March 31, 2016
Debentures / Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2017**

**SCHEDULE - 8**  
**INVESTMENTS - SHAREHOLDERS**

	(₹ in 000's)	
	At March 31, 2017	At March 31, 2016
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	622,215	650,764
Other Approved Securities	4,732	6,170
Other Investments:		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	465,724	243,828
(e) Other Securities / Bank Deposit	-	-
(f) Subsidiaries	-	-
(g) Investment Properties - Real Estate	-	-
Investments in Infrastructure and Social Sector	356,898	401,526
Other than Approved Investments		
(a) Shares : Equity	-	-
(b) Debentures/ Bonds	-	-
<b>Total Long Term Investments</b>	<b>1,449,569</b>	<b>1,302,288</b>
<b>SHORT TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	58,788	-
Other Approved Securities	-	-
Other Investments:		
(a) Shares		
(aa) Equity	26,773	40,873
(bb) Preference	-	-
(b) Mutual Funds	62,290	13,915
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	118,955	219,072
(e) Other Securities / Bank Deposit	69,595	44,422
(f) Subsidiaries	-	-
(g) Investment Properties - Real Estate	-	-
Investments in Infrastructure and Social Sector	139,150	56,837
Other than Approved Investments		
(a) Shares : Equity	-	-
(b) Mutual Fund	-	-
<b>Total Short Term Investments</b>	<b>475,551</b>	<b>375,119</b>
<b>Total Investments</b>	<b>1,925,120</b>	<b>1,677,407</b>

**Notes:**

- Aggregate book value of Investments (other than listed equities & mutual fund) is ₹ 1,836,057 thousands (previous year ₹ 10,508,880 thousands)
- Aggregate market value of Investments (other than listed equities & mutual fund) is ₹ 1,854,535 thousands (previous year ₹ 10,583,709 thousands)
- Investments have been allocated in the ratio of policyholders' and shareholders' fund (Refer Note no. 2.10)

**UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2017**

**SCHEDULE - 8A**  
**INVESTMENTS - POLICYHOLDERS**

	(₹ in 000's)	
	At March 31, 2017	At March 31, 2016
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	4,632,932	3,563,901
Other Approved Securities	35,234	33,791
Other Investments:		
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	3,467,718	1,335,320
(e) Other Securities / Bank Deposit	-	-
(f) Subsidiaries	-	-
(g) Investment Properties - Real Estate	-	-
Investments in Infrastructure and Social Sector	2,657,419	2,198,949
Other than Approved Investments		
(a) Shares : Equity	-	-
(b) Debentures/ Bonds	-	-
<b>Total Long Term Investments</b>	<b>10,793,303</b>	<b>7,131,961</b>
<b>SHORT TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	437,730	-
Other Approved Securities	-	-
Other Investments:		
(a) Shares	-	-
(aa) Equity	199,351	223,827
(bb) Preference	-	-
(b) Mutual Funds	463,807	76,204
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	885,721	1,199,746
(e) Other Securities / Bank Deposit	518,194	243,278
(f) Subsidiaries	-	-
(g) Investment Properties - Real Estate	-	-
Investments in Infrastructure and Social Sector	1,036,094	311,273
Other than Approved Investments		
(a) Shares : Equity	-	-
(b) Mutual Fund	-	-
<b>Total Short Term Investments</b>	<b>3,540,897</b>	<b>2,054,328</b>
<b>Total Investments</b>	<b>14,334,200</b>	<b>9,186,289</b>

**Notes:**

- Aggregate book value of Investments (other than listed equities & mutual fund) is ₹ 13,671,043 thousands (previous year ₹ 10,508,880 thousands)
- Aggregate market value of Investments (other than listed equities & mutual fund) is ₹ 13,808,632 thousands (previous year ₹ 10,583,709 thousands)
- Other Securities / Bank Deposit includes ₹ 21,689 thousands (previous year ₹ Nil) pertaining to unclaimed amount of policyholders
- Investments have been allocated in the ratio of policyholders' and shareholders' fund (Refer Note no. 2.10)

**UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2017**

**SCHEDULE - 9**

**LOANS**

	(₹ in 000's)	
	At March 31, 2017	At March 31, 2016
<b>SECURITY-WISE CLASSIFICATION</b>		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Government Securities	-	-
(c) Others	-	-
Unsecured	-	-
<b>Total</b>	-	-
<b>BORROWER-WISE CLASSIFICATION</b>		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
	-	-
<b>PERFORMANCE-WISE CLASSIFICATION</b>		
(a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-performing loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
<b>Total</b>	-	-
<b>MATURITY-WISE CLASSIFICATION</b>		
(a) Short Term	-	-
(b) Long Term	-	-
<b>Total</b>	-	-

**Notes:** There are no loans subject to restructuring (previous year ₹ Nil).



UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2017

SCHEDULE - 10  
FIXED ASSETS

Description	Cost / Gross Block				Depreciation				Net Block	
	Opening	Additions	Deductions	Closing	Up to Last Year	For The Year	On Sales / Adjustments	To Date	As at March 31, 2017	As at March 31, 2016
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Computer Software	141,387	25,170	-	166,557	119,466	15,274	-	134,740	31,817	21,921
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	157,537	6,380	4,299	159,618	133,714	14,321	4,287	143,748	15,870	23,823
Buildings	-	-	-	-	-	-	-	-	-	-
Furniture and Fittings	69,837	3,313	1,794	71,356	36,701	5,811	1,291	41,221	30,135	33,137
Information Technology Equipments	349,604	63,435	15,914	397,125	214,547	44,074	15,896	242,725	154,400	135,058
Vehicles	11,042	2,009	-	13,051	8,647	730	-	9,377	3,674	2,395
Office Equipments	56,505	3,603	1,751	58,357	44,314	4,726	1,722	47,318	11,039	12,189
Others	-	-	-	-	-	-	-	-	-	-
Total	785,912	103,910	23,758	866,064	557,389	84,936	23,196	619,129	246,935	228,523
Work - in - progress	24,614	-	-	30,466	-	-	-	-	30,466	24,614
Grand Total	810,526	103,910	23,758	896,530	557,389	84,936	23,196	619,129	277,401	253,137
Previous Year	679,367	127,660	14,752	810,529	504,519	66,116	13,243	557,392	253,137	-

**UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2017**

**SCHEDULE - 11**

**CASH AND BANK BALANCES**

	(₹ in 000's)	
	At March 31, 2017	At March 31, 2016
1. Cash (including cheques, drafts and stamps)	5,531	2,899
2. Bank Balances	-	-
(a) Deposit Accounts	-	-
(aa) Short-term (due within 12 months)	-	-
(bb) Others	-	-
(b) Current Accounts	857,720	837,878
(c) Others (to be specified)	-	-
3. Money at Call and Short Notice	-	-
(a) With Banks	-	-
(b) With other Institutions	-	-
4. Others (to be specified)	-	-
<b>Total</b>	<b>863,251</b>	<b>840,777</b>
Balances with non-scheduled banks included in 2 and 3 above	-	-

**UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2017**

**SCHEDULE - 12**

**ADVANCES AND OTHER ASSETS**

	(₹ in 000's)	
	At March 31, 2017	At March 31, 2016
<b>ADVANCES</b>		
Reserve deposits with ceding companies	-	-
Application money for investments	-	-
Prepayments	19,139	17,515
Advances to Directors / Officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	331	9,985
MAT credit entitlement	187,658	80,762
Others		
Advance to Employees against expenses	292	144
Advance to Others	43,276	7,175
Surplus in Gratuity fund	1,492	-
<b>Total (A)</b>	<b>252,188</b>	<b>115,581</b>
<b>OTHER ASSETS</b>		
Income accrued on investments	497,895	349,392
Outstanding Premiums	-	-
Agents' Balances	5,662	6,160
Foreign Agencies Balances	-	-
Due from other entities carrying on insurance business (net) (including reinsurers)	5,743,775	3,865,831
Due from subsidiaries / holding company	-	-
Deposit with Reserve Bank of India (Pursuant to Section 7 of Insurance Act, 1938)	-	-
Others	-	-
Deposits for Office Premises	60,024	58,854
Other Deposits	12,349	11,500
Receivable from Terrorism Pool	191,923	156,841
Receivable from Motor Pool	-	28,554
Receivable from Nuclear Pool	10,000	-
Service tax unutilised credit	84,783	62,880
Service tax paid in advance	39,779	-
Contracts for Sales - Investment	4,123	-
<b>Total (B)</b>	<b>6,650,313</b>	<b>4,540,012</b>
<b>Total (A)+(B)</b>	<b>6,902,501</b>	<b>4,655,593</b>

**UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2017**

**SCHEDULE - 13**

**CURRENT LIABILITIES**

	(₹ in 000's)	
	At March 31, 2017	At March 31, 2016
Agents' Balances	37,901	37,567
Balances due to other insurance companies (net) (including reinsurers)	4,288,142	880,580
Deposits held on re-insurance ceded	-	-
Premiums received in advance	92,241	131,862
Unallocated Premium	1,186,917	136,634
Sundry Creditors	455,400	275,334
Unclaimed amount of Policyholders	28,350	57,723
Due to subsidiaries / holding company	-	-
Claims Outstanding (Gross) (Refer note no. 6C)	11,155,657	8,559,701
Due to Officers / Directors	-	-
Others	-	-
Due to Solatium Fund	7,450	5,810
Due to Environment Relief Fund (Refer note no. 15)	26	34
Due to Statutory Authorities	15,918	42,355
Due to Motor Pool	6	-
Service Tax Liability	-	-
Contracts for Purchases - Investment	-	-
<b>Total</b>	<b>17,268,008</b>	<b>10,127,600</b>

**SCHEDULE - 14**

**PROVISIONS**

	(₹ in 000's)	
	At March 31, 2017	At March 31, 2016
Reserve for Unexpired Risk	3,513,578	3,486,423
Reserve for premium deficiency	-	-
For taxation (less advance tax paid and taxes deducted at source)	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
Others - Retirement Benefits	-	-
Leave Encashment	5,180	8,005
Gratuity	-	1,994
<b>Total</b>	<b>3,518,758</b>	<b>3,496,422</b>

**SCHEDULE - 15**

**MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

	(₹ in 000's)	
	At March 31, 2017	At March 31, 2016
Discount Allowed on issue of shares / debentures	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## SCHEDULE – 16

### Significant Accounting Policies and Notes forming part of the Financial Statements for the year ended March 31st, 2017

#### 1. Background

Universal Sampo General Insurance Company Limited ("the Company") was incorporated on January 5th, 2007 and received Certificate of Registration from Insurance Regulatory and Development Authority of India ("IRDAI") on November 16th, 2007 to transact General Insurance business and company holds a valid certificate of registration received from IRDAI for the year 2017-18.

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

#### 2. Significant Accounting Policies

##### 2.1 Basis of Preparation of Financial Statements

The Financial Statements have been 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 section 133 of the Companies Act, 2013 in accordance with the provisions of the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015, Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority of India (IRDAI) (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('Regulations') and orders / directions prescribed by the IRDAI in this behalf, the provisions of the Companies Act, 2013 (to the extent applicable) in the manner so required and current practices prevailing within the insurance industry in India. The Financial Statements are presented in Indian rupees rounded off to the nearest thousands.

##### 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 on 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 received. Premium earned including Reinstatement Premium 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 re-insurance treaties, wherever applicable, is accounted whenever it is due and combined with commission on re-insurance 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 (1/365 method) for all lines except for Marine Hull. In case of Marine Hull reserves shall be computed as 100% of net written premium during the preceding twelve months.

Pursuant to the IRDAI circular no. IRDA/F&A/CIR/CPM/056/03/2016 dated April 4th, 2016, effective from April 1st, 2016, Company has changed its accounting policy for reserve for unexpired risk in respect of marine ocean risk.

Hitherto, the reserve for unexpired risk in case of Marine Cargo business was calculated on the basis of "60 days from the risk date". Pursuant to the circular, the same is calculated on a daily pro-rata basis (1/365) method.

On account of above change in the accounting policy, operating profit for marine ocean class of business segment for the year ended March 31st, 2017 has increased by ₹ 7,914.89 thousands.

## **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 re-insurers. 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.

## **2.8 Premium deficiency**

Premium deficiency is recognised at segmental revenue account level when the sum of expected claim costs and related expenses and maintenance costs (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 reinsurance acceptances from declined risk pool is not considered as per regulatory guidelines. 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 re-insurers/co-insurers) 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/re-insurers 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 IRDAI 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.

### **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'

Pursuant to IRDAI circular no. IRDA/F&A/CIR/CPM/010/01/2017 dated January 12th, 2017 investment assets have been bifurcated between policyholders' and shareholders' based on policyholders' funds and shareholders' funds in schedule 8 and 8A respectively.

## **Valuation**

### **Debt Securities**

All debt securities including government 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**

In accordance with the Regulations, unrealized gains or losses arising due to changes in fair value of listed equity shares and Mutual Fund investments are taken to the 'fair value change account'. This balance in fair value change account is not available for distribution, pending realization.

### **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 bring 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 based on management's assessment of useful life specified in schedule II of the Companies Act, 2013 as follows:

<b>Nature of Asset</b>	<b>Useful lives as specified under Schedule II of the Companies Act, 2013</b>
Furniture and Fittings	10
Information Technology Equipment (hardware-End user device)	3
Information Technology Equipment (hardware-Server and Networks)	6
Vehicles	8
Office Equipment	5
Leasehold Improvements	Not defined *

\* Useful life has been considered as 3 years or contractual lease period, whichever is lower.

### **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.

### 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 Operating 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 on straight line basis.

### 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 revenue account(s) and profit and loss account.

#### National Pension Scheme

This is a defined contribution scheme and contributions towards National Pension Scheme are payable to the Pension Fund Regulatory and Development Authority is provided on the basis of specified percentage of basis salary payable to eligible employee. The contributions are paid by company and are charged to revenue account(s) and profit and loss account.

#### Gratuity

Gratuity, which is a defined benefit scheme is provided on the basis of actuarial valuation including actuarial gains/losses at balance sheet date and is recognized in the revenue account(s) and profit and loss account.

#### 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 policyholders' fund and shareholders' fund in accordance with IRDAI circulars no. IRDA/F&A/CIR/CPM/010/01/2017 dated January 12th, 2017.

Further, investment income across segments within the revenue account(s) has been allocated on the basis of the ratio of the average technical reserves of policyholders' funds.

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

### 2.16 Allocation of Expenses

Pursuant to Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulation, 2016 company has followed the board approved policy for allocating the operating expenses relating to insurance business 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.

Above expenses have been fully recognised in the revenue accounts as an expense to the extent allowable under Insurance Regulatory and Development Authority of India (Expense of Management of Insurers transacting General or Health Insurance business) Regulation, 2016 and the excess amount have been charged to shareholders' fund.

## 2.17 Contribution to Terrorism Pool

The Company in accordance with the requirements of IRDAI has participated 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 ₹ 15.00 billions.

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 31st, 2016 (previous year: December 31st, 2015) as per the last confirmation received and 50% of the amount has been carried forward to the subsequent accounting period as Unexpired risk reserve appropriately.

## 2.18 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 1st, 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 IRDAI vide its Order Ref No IRDA/NL/ORD/MPL/277/12/2011 dated December 23rd, 2011 and IRDA/NL/ORD/MPI/72/03/2012 dated March 22nd, 2012, the company has to cede declined risk premium (as per applicable guidelines) 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.

IRDAI vide its circular Ref No IRDA/NL/CIR/MISC/051/03/2016 dated March 15th, 2016, has decided to dismantle the Indian Motor Third Party Declined Risk Insurance Pool (IMTPDRIP) for Commercial Vehicle (Act only Insurance) with effect from April 1st, 2016.

## 2.19 India Nuclear Insurance Pool (INIP)

The Company in accordance with the IRDAI (General Insurance – Reinsurance) Regulations, 2013 has been participating in India Nuclear Insurance Pool (INIP). This pool is formed by GIC Re and 11 non-life insurance companies as founder members with their collective capacity for an amount of Rs 15 billion. The INIP has started operation w.e.f August 19th, 2015.

In accordance with the terms of the agreement, pool retro-cedes the premium to the company 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 Pool administrator. Accordingly, reinsurance accepted, on account of the INIP pool shall be recorded upon receipt of statement from Pool Administrator. The company has not yet recorded the premium pending statement from Pool Administrator.

## 2.20 Contribution to Solatium fund

In accordance with the requirements of IRDAI circular dated March 18th, 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 26th, 2010, the company has provided 0.10% of the gross written premium on all third party motor policies towards contribution to the solatium fund.

## 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 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" in Schedule 12 for adjustments in subsequent periods and service tax liability to be remitted to the appropriate authority is disclosed under 'Other-Service Tax Payable' in Schedule 13.

#### 2.24 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.

#### 2.25 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

(₹ in 000's)			
	Particulars	As at March 31, 2017	As at March 31, 2016
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)	13,834	-
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	960,277	522,770
	<b>TOTAL</b>	<b>974,111</b>	<b>522,770</b>

**Note:** The company is in receipt of an order from Service Tax Authorities of ₹ 13,834 thousands (previous year: Nil) against which company is in process of filing an appeal with 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) ₹ 3,552 thousands (previous year: ₹ 83,468 thousands).

#### 6. Claims

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

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
In India	4,081,546	3,803,944
Outside India	-	-
<b>Total</b>	<b>4,081,546</b>	<b>3,803,944</b>

##### 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 the claims payment period exceeds 4 years from the date of settlement of claim are to be recognized on actuarial basis. Accordingly the Appointed Actuary has certified that there are no such claim payments which are exceeding 4 years from the date of settlement of claim.

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

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Outstanding for less than six months*	5,831,340	4,412,667
Outstanding for more than six months*	2,818,420	2,458,840
<b>Total</b>	<b>8,649,760</b>	<b>6,871,507</b>

(\*Excluding IBNR/ IBNER Reserve)

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

#### 7. Premiums

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

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
In India	6,651,676	5,693,990
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, 2017		For the year ended March 31, 2016	
		Retention	Ceded	Retention	Ceded
Fire	Total sum insured	55%	45%	55%	45%
Marine– Cargo	Value at risk	36%	64%	51%	49%

Particulars	Basis	For the year ended March 31, 2017		For the year ended March 31, 2016	
		Retention	Ceded	Retention	Ceded
Marine– Hull	Value at risk	1%	99%	-5%	105%
Motor (Refer Note 16)	Total sum insured	95%	5%	95%	5%
Workmen's Compensation	Value at risk	95%	5%	95%	5%
Personal Accident	Value at risk	83%	17%	83%	17%
Health Insurance	Value at risk	90%	10%	89%	11%
Public/Product Liability	Value at risk	88%	12%	95%	5%
Engineering	Total sum insured	59%	41%	43%	57%
Aviation	Value at risk	15%	85%	-	-
Credit Insurance	Value at risk	5%	95%	8%	92%
Weather/Crop Insurance	Value at risk	21%	79%	15%	85%
Others	Value at risk	85%	15%	81%	19%

## 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) (Fifth Amendment) Regulations, 2013. 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 the period ended March 31st, 2017 is ₹ 3,022 thousands (previous year unrealized losses is ₹ 25,132 thousands).
- b) **Value of Contracts in relation to Investment for :**

Particulars	(₹ in 000's)	
	Year Ended March 31, 2017	Year Ended March 31, 2016
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 ₹ 755,243 thousands (previous year ₹ 379,948 thousands).

### c) Investment in Reverse Repo

The Company, during the financial year 2016-17, has not undertaken any Reverse Repo/repo transaction in Corporate Debt Securities, the same has been disclosed below as required by the IRDAI (Investment) Regulations, 2016 vide references no. IRDAI/F&I/CIR/INV/172/08/2016 dated August 24th, 2016 and as per the directions laid down by RBI via notification IDMD.DOD.05/11.08.38/2009-10 dated January, 8th 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 March 31, 2017
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 Reverse Repo	Nil	Nil	Nil	Nil
i. Government Securities	Nil	Nil	Nil	Nil
ii. Corporate Debt Securities	Nil	Nil	Nil	Nil

- d) **The company does not have any Investment in Property at March 31st, 2017 (previous year Nil)**

#### 10. Non-Executive Chairman and Managing Director's Remuneration

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

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Salary & Allowances	6,609	10,716
Contribution to Provident Fund	440	684
Sitting Fees	1,410	500
Profit Linked Commissions	2,500	5,700
Professional Consultancy Charges	4,355	-
<b>Total</b>	<b>15,314</b>	<b>17,600</b>

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

#### 11. Sector wise Gross Direct Premium in India are as follows –

##### a) Rural Sector

(₹ in 000's)

Financial Year	Gross Direct premium	Amount of premium procured in Rural Sector	Rural sector premium as to GDP (%)	Required % as per the above Regulations	Compliance with the Regulations (Yes/No)
2016-17	12,872,305	5,384,985	41.83%	7%	Yes
2015-16	9,037,875	2,323,427	25.71%	6%	Yes

##### b) Social Sector

(₹ in 000's)

Financial Year	Total business in the preceding Financial Year	Number of lives covered under Social Sector in the FY for which figures are reported	Social Sector lives as to Total Business (%)	Required % as per the above Regulations	Compliance with the Regulations (Yes/No)
2016-17	6,330,615	2,403,790	37.97%	4.5%	Yes
2015-16	6,415,478	606,154	9.45%	4%	Yes

#### 12. 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 at Segmental Revenue Account Level. There is no premium deficiency arises as on March 31st, 2017 for the company at segmental revenue account level as determined by Appointed Actuary.

#### 13. IBNR and IBNER Calculations

The liability for Gross IBNR (including IBNER) and Net IBNR (including IBNER) as at March 31st, 2017 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 IRDAI 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 used the combination of the Ultimate Loss Ratio Method, Chain Ladder Method, and Born Huetter Ferguson Method for the projection of IBNR & IBNER for each lines of business.

#### 14. Reinsurance Inward

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

#### 15. Environment Relief Fund

During the year, an amount of ₹ 303 thousands (previous year ₹ 271 thousands) was collected towards Environment Relief Fund for public liability policies and an amount of ₹ 311 thousands (previous year ₹ 237 thousands) has been transferred to "United India Insurance Company Limited, Environment Relief Fund Account" as per notification of Environment Relief Fund (ERF) scheme under the public liability Insurance Act, 1991 as amended from time to time. The balance amount of ₹ 26 thousands (previous year ₹ 34 thousands) have been shown as "Due to Environment Relief Fund" in schedule 13.

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

IRDAI vide its Order Ref No IRDA/NL/ORD/MPL/277/12/2011 dated December 23rd, 2011 and IRDA/NL/ORD/MPI/72/03/2012 dated March 22nd, 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 1st, 2012.

Further, IRDAI vide its circular Ref No IRDA/NL/CIR/MISC/051/03/2016 dated March 15th, 2016, has decided to dismantle the Indian Motor Third Party Declined Risk Insurance Pool (IMTPDRIP) for Commercial Vehicle (Act only Insurance) with effect from April 1st, 2016.

During the year ended March 31st, 2017, The Company has accounted the share of loss in the IMTPDRIP for FY 2015-16, on the basis of final statement received from the pool administrator and recognized claims at the prescribed estimated ULR of 150%.

#### 17. 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.

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

(₹ in 000's)		
Segment	Year	Claims Outstanding
Fire	2016-17	14,83,694
	2015-16	19,32,427
Marine Cargo	2016-17	1,33,037
	2015-16	1,68,924
Marine Hull	2016-17	-
	2015-16	-
Motor OD	2016-17	2,00,954
	2015-16	2,87,614
Motor TP	2016-17	44,82,786
	2015-16	41,17,860
Workmen's Compensation	2016-17	4,147
	2015-16	3,877
Personal Accident	2016-17	56,664
	2015-16	25,687
Health	2016-17	86,280
	2015-16	2,57,783
Public/Product Liability	2016-17	211
	2015-16	138
Engineering	2016-17	58,445
	2015-16	97,627
Aviation	2016-17	-
	2015-16	-

(₹ in 000's)

Segment	Year	Claims Outstanding
Credit Insurance	2016-17	472
	2015-16	15,243
Weather/Crop Insurance	2016-17	44,86,625
	2015-16	14,72,892
Others	2016-17	1,62,343
	2015-16	1,79,630
<b>Total</b>	<b>2016-17</b>	<b>1,11,55,657</b>
	<b>2015-16</b>	<b>8,559,701</b>

#### Secondary reportable segments

There are no reportable geographical segments since the company provides services to customers in the Indian Market or Indian interest abroad only and does not distinguish any reportable regions within India.

- b) As per the IRDAI Master Circular on Preparation of Financial Statements for General Insurance Business (IRDA/F&I/CIR/F&A/231/10/2012) dated October 5th, 2012; any sub-segment other than the specified segments contributing more than 10% of total premium shall be shown separately. Weather/Crop Insurance contributing more than 10% of total premium, reported in the various schedules under the head "Miscellaneous-Others", is shown as under:

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>SCHEDULE-1</b>		
Premium from direct business written (net of service tax)	54,92,306	19,50,654
Add: Premium on reinsurance accepted	-	-
Less : Premium on reinsurance ceded	47,44,101	16,92,684
<b>Net Premium</b>	<b>7,48,205</b>	<b>2,57,970</b>
Adjustment for change in Reserve for Unexpired Risks	70,670	(42,529)
<b>Total Premium Earned (Net)</b>	<b>8,18,876</b>	<b>2,15,441</b>
<b>SCHEDULE-2</b>		
Claims Paid – Direct	5,56,856	14,67,783
Add : Reinsurance accepted	-	-
Less: Reinsurance ceded	4,73,328	12,24,151
<b>Net Claims Paid</b>	<b>83,528</b>	<b>2,43,632</b>
Add : Claims Outstanding at the end of the year	6,72,994	65,638
Less : Claims Outstanding at the beginning of the year	65,638	36,103
<b>Total Claims Incurred</b>	<b>6,90,884</b>	<b>2,73,168</b>
<b>SCHEDULE-3</b>		
Commission Paid – Direct	8,843	-
Add: Commission on Reinsurance accepted	-	-
Less : Commission on Reinsurance ceded	2,65,266	2,48,708
<b>Net Commission</b>	<b>(2,56,423)</b>	<b>(2,48,708)</b>
<b>SCHEDULE-4</b>		
<b>Operating Expenses</b>	<b>2,94,619</b>	<b>91,656</b>



#### 18. 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.

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Payable not later than one year	108,835	99,752
Payable later than one year but not later than five years	250,412	333,819
Payable later than five years	41,723	69,847

An amount of ₹ 93,300 thousands (previous year ₹ 69,629 thousands) towards lease payments has been recognized in Revenue Accounts.

#### 19. Deferred Taxes

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

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Deferred tax asset</b>		
Timing difference on account of -		
Reserve for Unexpired risks / premium deficiency	-	-
Gratuity / Leave accrued	1,276	3,460
Provision for escalation in lease rentals	11,513	12,981
Depreciation as per Section 32 as per provision of I. T. Act, 1961	4,030	14,967
<b>Total</b>	<b>16,819</b>	<b>31,408</b>
<b>Deferred tax liability</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax asset / ( liability )</b>	<b>16,819</b>	<b>31,408</b>
<b>Deferred Tax expense / (income) recognised in the P&amp;L A/c</b>	<b>14,589</b>	<b>(16,271)</b>
<b>Total deferred tax expense / ( income )</b>	<b>14,589</b>	<b>(16,271)</b>

#### 20. 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:

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Profit / (Loss) available to equity shareholders (₹ in 000's)</b>	<b>489,822</b>	<b>436,582</b>
<b>WEIGHTED AVERAGE NUMBER OF EQUITY SHARES</b>		
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
<b>Diluted weighted average number of Equity Shares outstanding during the year</b>	<b>350,000,000</b>	<b>350,000,000</b>
<b>Nominal Value Per Share</b>	<b>₹ 10.00</b>	<b>₹ 10.00</b>
<b>Basic/Diluted Earnings Per Share</b>	<b>1.40</b>	<b>1.25</b>

## 21. Related Party Disclosure

As per the Accounting Standard (AS) 18 on 'Related Party Disclosures' the related parties of the company and as per the Corporate governance guidelines issued by IRDAI the disclosures about payments made to group entities of the insurer out of the policyholders funds, are as follows:

### a) Nature of Relationship & Names of the related parties:

#### Promoters with more than 20% Voting Rights

Allahabad Bank

Sompo Japan Nipponkoa Insurance Inc.

#### Key Management Personnel

Mr. O. N. Singh (Ceases to be Executive Chairman w.e.f. 06/10/2016, consequent to his appointment as Non-Executive Chairman)

Mr. Rajiv Kumar (MD & CEO appointed w.e.f. 06/10/2016)

Mr. Taketoshi Nagaoka (Cease to be Managing Director w.e.f. 18/04/2016)

#### Relatives of KMP with whom transactions have taken place during the year:

Mrs. Rama Singh

### b) Details of Transactions:

(₹ in 000's)

Name of the Related Party	Year	Allahabad Bank	Sompo Japan Nipponkoa Insurance Inc	KMP and their relative
Nature of Relationship		Promoters with more than 20% Voting Rights	Promoters with more than 20% Voting Rights	
<b>Details of transactions with Related Parties</b>				
Premium Income (Rendering of Services)	2016-17	16,144	-	-
	2015-16	93,479	101	-
Reinsurance Premium Payment (Net of Commission)	2016-17	-	319,935	-
	2015-16	-	276,801	-
Claim Payment	2016-17	11,110	-	-
	2015-16	9,309	-	-
Reinsurance Claim Recovery	2016-17	-	355,126	-
	2015-16	-	199,568	-
Commission Payout	2016-17	116,344	-	-
	2015-16	113,443	-	-
Other Expenditure	2016-17	8,437	1,660	-
	2015-16	1,789	-	-
Other reimbursement received	2016-17	1,866	-	-
	2015-16	-	-	-
Interest Income on Fixed Deposit	2016-17	-	-	-
	2015-16	2,003	-	-
Rent & Maintenance	2016-17	-	-	1,437
	2015-16	-	-	1,437

Balances with related parties as at March 31, 2017 are as under:				
Name of the Related Party	Year	Allahabad Bank	Sompo Japan Nipponkoa Insurance Inc	KMP and their relative
Nature of Relationship		Promoters with more than 20% Voting Rights	Promoters with more than 20% Voting Rights	
Share Capital	2016-17	1,050,000	910,000	-
	2015-16	1,050,000	910,000	-
Premium Payable (Net of Commission)	2016-17	-	159,680	-
	2015-16	-	91,388	-
Commission Payable	2016-17	12,311	-	-
	2015-16	15,340	-	-
Claim Payable	2016-17	1,823	-	-
	2015-16	6,864	-	-
<b>Assets</b>				
Bank Balance	2016-17	220,731	-	-
	2015-16	194,990	-	-
Expenses Receivable	2016-17	-	1,660	-
	2015-16	-	2,284	-
Reinsurance claim recoverable	2016-17	-	550,723	-
	2015-16	-	849,442	-
Fixed Deposit	2016-17	-	-	-
	2015-16	-	-	-
Other Deposit	2016-17	-	-	659
	2015-16	-	-	659

22. In accordance with direction of IRDAI circular no. IRDA/F&CIR/F&A/231/10/2012 dated October 5th, 2012, age wise analysis of the unclaimed amount of the policy holder as on March 31st, 2017 is shown as under. The company has not appropriated / written back the unclaimed amount of policy holders.

(₹ in 000's)										
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	2016-17	-	-	-	-	-	-	-	-	-
	2015-16	-	-	-	-	-	-	-	-	-
Sum due to insured / policyholders on maturity or other wise	2016-17	-	-	-	-	-	-	-	-	-
	2015-16	-	-	-	-	-	-	-	-	-
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.	2016-17	-	-	-	-	-	-	-	-	-
	2015-16	-	-	-	-	-	-	-	-	-
Cheque Issued but not encashed by the policy holder / Insured.	2016-17	28,350	-	11,166	4,468	1,508	2,422	1,341	4,102	3,343
	2015-16	57,723	-	6,018	4,332	3,823	8,629	9,073	5,238	20,610

**Note** - Above excludes an amount of ₹ 1,63,978 thousands (previous year ₹ 1,07,592 thousands) under ageing 1-3 months in respect of cheques issued but not encashed by the policyholders.

## 23. Unclaimed Amount due to policyholder's

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Opening Balance of Unclaimed Amount	57,723	59,935
Add: Amount transferred to unclaimed amount	61,858	25,828
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders	-	-
Add: Investment Income credited to unclaimed amount	2,682	
Less: Amount paid during the year (Including Interest paid)	93,913	28,039
<b>Closing Balance of Unclaimed Amount</b>	<b>28,350</b>	<b>57,723</b>

## 24. Employee Benefits

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

### I. Defined Contribution Plan

#### a) 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 Revenue Account(s)/Profit and Loss Account for the year:

(₹ in 000's)

Benefit (Contribution to)	Year Ended March 31, 2017	Year Ended March 31, 2016
Provident Fund	19,683	16,561

#### b) National Pension Scheme

The National Pension Scheme is operated by the Pension Fund Regulatory and Development Authority. Under the scheme, the Company is contributing a specified percentage of basic salary to the retirement benefit schemes to fund for eligible employee. These funds are recognized by the Income tax authorities. The Company has recognized the following amounts in the Revenue Account(s)/ Profit and Loss Account for the year:

(₹ in 000's)

Benefit (Contribution to)	Year Ended March 31, 2017	Year Ended March 31, 2016
National Pension Scheme	1,375	565

### II. 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, 2017	Year Ended March 31, 2016
Discount rate	7.50%	8.00%
Salary Escalation	5.00%	5.00%

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Attrition rate	2.00%	2.00%
Expected return on plan assets	7.50%	8.50%
Mortality rate Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

ii. Change in present value of obligations

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Present value of obligations as at the beginning of the year	16,474	14,714
Interest cost	1,317	1,150
Current Service Cost	4,138	3,901
Benefits Paid	(2,906)	(3,503)
Actuarial loss/(gain) on obligation	522	212
Present value of obligations as at the end of the year	19,545	16,474

iii. Changes in the Fair Value of Assets

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Opening fair value of plan assets	14,480	14,163
Expected return	1,230	1,206
Contributions paid	5,797	2,614
Benefits Paid	(2,906)	(3,503)
Actuarial gains / (losses)	2,436	-
Closing fair value of plan assets	21,037	14,480

iv. Amount recognized in Balance Sheet

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Present value of obligations as at the end of the year	19,545	16,474
Present value of assets	21,038	14,480
Net Assets /(Liability) recognized in the Balance Sheet	1,492	(1,994)

v. Expenses recognized in Revenue Accounts

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Current Service cost	4,137	3,901
Interest Cost	1,317	1,150
Expected return on plan assets	(1,230)	(1,207)
Net Actuarial (gain) / loss recognized in the year	(1,913)	213
Expenses recognized in Revenue Accounts	2,311	4,057

vi. Experience adjustments of last five years is given below

(₹ in 000's)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Defined Benefit Obligation	19,545	16,474	14,713	12,367	11,793
Plan assets	21,038	14,480	14,163	14,280	11,303
Surplus / (Deficit)	1492	(1,994)	(550)	1,913	(490)
Exp.Adj on Plan liability	(820)	656	736	2,528	1,026
Exp.Adj on Plan Assets	2,436	-	(99)	(43)	(726)

b) Leave Encashment

i. Assumption

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Discount rate	7.50%	8.00%
Salary Escalation	5.00%	5.00%
Attrition rate	2.00%	2.00%
Expected return on plan assets	7.50%	8.50%
Mortality rate table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

ii. Change in present value of obligations

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Obligations as at the beginning of the year	12,600	11,398
Interest cost	1,007	891
Current Service Cost	2,415	3,913
Past Service Cost	-	-
Actuarial gain / (loss) on obligation	(2,165)	(3,602)
Benefit Paid	-	-
Projected Benefit Obligation at the end of the period	13,857	12,600

iii. Changes in the Fair Value of Assets

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Opening fair value of plan assets	4,595	4,234
Expected return	390	361
Contributions paid	3,693	-
Benefits Paid	-	-
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	8,677	4,595



iv. Amount recognized in Balance Sheet

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Present value of obligations as at the end of the year	13,857	12,600
Present value of assets	8,677	4,595
Net Liability recognized in the Balance Sheet	5,180	8,005

v. Expenses recognized in Revenue Accounts

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Current Service cost	2,415	3,913
Interest Cost	1,007	891
Expected return on plan assets	(390)	(361)
Net Actuarial (gain) / loss recognized in the year	(2,165)	(3,602)
Expenses to be recognized in Revenue Accounts	867	841

25. Outsourcing, business development and marketing support expenses

(₹ in 000's)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Outsourcing expenses	4,04,339	2,25,896
Business development	7,27,154	6,14,861
Marketing support	1,02,331	1,72,977

26. 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 March 31st, 2017. 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.

27. 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.

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

(₹ in 000's)

Sr No.	Authority	Year	Non Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Re- duced
1	Insurance Regulatory and Development Authority	2016-17	NIL	-	-	-
		2015-16	1	1,500	1,500	-
2	Service Tax Authorities	2016-17	NIL	-	-	-
		2015-16	NIL	-	-	-
3	Income Tax Authorities	2016-17	NIL	-	-	-
		2015-16	NIL	-	-	-
4	Any other Tax Authorities	2016-17	NIL	-	-	-
		2015-16	NIL	-	-	-

(₹ in 000's)

Sr No.	Authority	Year	Non Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	2016-17	NIL	-	-	-
		2015-16	NIL	-	-	-
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies 1956	2016-17	NIL	-	-	-
		2015-16	NIL	-	-	-
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	2016-17	NIL	-	-	-
		2015-16	NIL	-	-	-
8	Securities and Exchange Board of India	2016-17	NA	NA	NA	NA
		2015-16	NA	NA	NA	NA
9	Competition Commission of India	2016-17	NIL	-	-	-
		2015-16	NIL	-	-	-
10	Anyother Central/State/Local Government / Statutory Authority – Professional Tax Penalty	2016-17	10	18	18	-
		2015-16	NIL	-	-	-

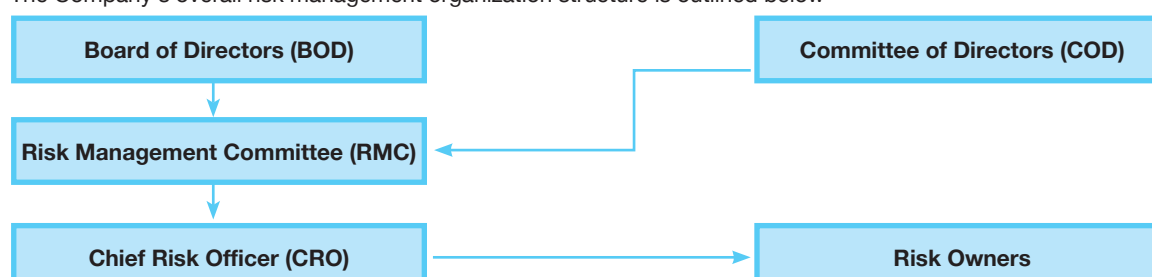
29. The Company's pending litigations comprise of claims against the Company and proceedings pending with various Tax Authorities including Income Tax, Service Tax and Profession Tax. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a significant impact on its financial position. (Refer Note no. 3 for details on Contingent liabilities).
30. The company periodically reviews its entire long term contract to assess for any material foreseeable losses. Based on such review the company has made adequate provisions for these long term contract in the books of account as required under any applicable law/ accounting standard. As at March 31st, 2017, the Company did not have any outstanding derivative contracts.
31. For the year ended March 31st, 2017, the Company is not required to transfer any amount into the Investor Education and Protection Fund.
32. During the year ended March 31st, 2017, in accordance with the provision of the Section 135 of the Companies Act 2013 and the rules framed thereunder, the Company is required to spend on accounts of Corporate Social Responsibility (CSR) activities of ₹ 5,286 thousands (previous year ₹ 1,825 thousands). In these regards, the Company has actually spent during the year an amount of ₹ 5,444 thousands (previous year ₹ 2,709 thousands) on Corporate Social Responsibility (CSR) activities as approved by CSR Committee of the Board.

(₹ in 000's)

Particulars	In cash	Yet to be paid in cash	Total
Construction / acquisition of any assets	-	-	-
On purpose other than above (Others)	5,444	-	5,444

### 33. Risk Management Architecture

The Company's overall risk management organization structure is outlined below



- BOD is responsible for setting the Company's business goals and developing the appropriate strategies to achieve these goals. BOD review and approve ERM strategies, policies and procedures proposed by RMC.
- The RMC is accountable to BOD, for the overall supervision of the Company's Enterprise Risk Management (ERM) practices. RMC members consist of the Executive Chairman, the Managing Director and one Non-Executive Director. The Executive Chairman heads the Committee.
- COD assists the RMC in implementing the controls of the Company.
- The Chief Risk Officer ('CRO') maintains operative independence and would be appointed by the RMC.

**34. No. of Claims intimated, disposed-off and pending with details of duration.**

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
No. of Claims intimated during the period	116,675	111,612
No. of Claims disposed-off during the period	116,423	108,925
No. of Claims pending during the period	9,468	11,487

Period	No. of Claims Disposed Off		No. of Outstanding Claims	
	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2016
Upto 30 days	80,574	65,817	3,372	3,583
31 days to 6 months	34,800	41,922	1,881	3,264
6 months to 1 year	1,005	1,150	737	752
1 year to 5 years	44	36	3,145	3,745
5 years and above	-	-	333	143
<b>Total</b>	<b>116,423</b>	<b>108,925</b>	<b>9,468</b>	<b>11,487</b>

- 35.** Pursuant to IRDAI Circular No. IRDA/F&A/GDL/CG/100/05/2016 in regard to Corporate Governance Guidelines for Insurers in India, 2016 elements of remuneration package of Key Managerial Personnel of the company are as under:

(₹ in 000's)

Particulars	Year Ended March 31, 2017
Salary & Allowances including incentives	23,866
National Pension Scheme	312
Provident Fund	824

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

- 36.** All Pecuniary relationships or transactions of the Non-executive directors are shown under note no 21 as stated in above points.

- 37.** Solvency Margin

(₹ in 000's)

Solvency Margin	As at March 31, 2017	As at March 31, 2016
Required Solvency margin under IRDAI Regulations (A)	20,15,840	16,30,269
Available solvency margin (B)	31,72,941	27,62,241
Solvency ratio actual (times) (B/A)	1.57	1.69
Solvency ratio prescribed by Regulation	1.50	1.50

- 38.** Being an Insurance Company as defined under the Insurance Act, 1938 (4 of 1938), Schedule III of the Companies Act, 2013 is not applicable. Hence the disclosure requirement for the details of Specified Bank Notes (SBN) as envisaged under notification no. G.S.R. 308 (E) dated March 30th, 2017 is not provided.

- 39.** There is no regrouping of previous year's figures in the current year.

#### 40. Summary of Financial Statements

Sr. No.	Particulars	2016-17 (₹ in Lakhs)	2015-16 (₹ in Lakhs)	2014-15 (₹ in Lakhs)	2013-14 (₹ in Lakhs)	2012-13 (₹ in Lakhs)
	<b>OPERATING RESULTS</b>					
1	Gross Direct Premiums	128,723	90,379	70,111	54,045	53,435
2	Net Earned Premium #	66,245	53,056	45,623	41,194	34,131
3	Income from Investments (net) @	8,919	7,182	7,197	5,425	4,136
4	Other Income (Pls Specific)					
	Others - Miscellaneous Income	120	218	793	14	6
5	<b>Total Income</b>	<b>75,284</b>	<b>60,456</b>	<b>53,613</b>	<b>46,633</b>	<b>38,273</b>
6	Commissions (Net) (Including Brokerage)	(146)	707	1,666	1,977	2,105
7	Operating Expenses	23,113	20,370	17,788	15,028	14,421
8	Net Incurred Claims	46,975	37,561	33,710	30,543	24,683
9	Change in Unexpired Risk Reserve	(272)	(3,884)	(4,602)	(1,065)	(7,329)
10	<b>Operating Profit / (Loss)</b>	<b>5,342</b>	<b>1,818</b>	<b>449</b>	<b>(915)</b>	<b>(2,936)</b>
	<b>NON-OPERATING RESULTS</b>					
11	Total Income under shareholders' account	(298)	2,385	2,369	1,940	1,937
12	Profit / (Loss) before tax	5,044	4,203	2,818	1,025	(999)
13	Provision for tax	146	(163)	938	60	(332)
14	Profit / (Loss) after tax	4,898	4,366	1,880	965	(667)
	<b>MISCELLANEOUS</b>					
15	Policyholders' Account :					
	Total Funds	-	-	-	-	-
	Total Investments	-	-	-	-	-
	Yield on Investments*	-	-	-	-	-
16	Shareholders' Account:					
	Total Funds	43,550	43,329	44,013	43,571	43,319
	Total Investments	162,593	108,637	103,570	88,952	77,457
	Yield on Investments*	9.02%	8.51%	9.49%	8.74%	8.88%
17	Paid up equity capital (including share premium)	43,580	43,580	43,580	43,580	43,580
18	Net Worth	35,355	30,457	26,091	24,212	23,247
19	Total Assets	43,550	43,329	44,013	43,571	43,319
20	Yield on Total Investments	9.02%	8.51%	9.49%	8.74%	8.88%
21	Earnings per share (Rs.)					
	Basic	1.40	1.25	0.54	0.28	(0.19)
	Diluted	1.40	1.25	0.54	0.28	(0.19)
22	Book Value per share (Rs.)	10.10	8.70	7.45	6.92	6.64
23	Total Dividend	-	-	-	-	-
24	Dividend per share (Rs.)	-	-	-	-	-

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

# Net of reinsurance

@ Net of Losses

\* Yield on investment includes return on Fixed Deposits forming part of Cash and Bank Balance

#### 41a. RATIOS FOR NON-LIFE COMPANIES

Sr. No.	Performance Ratio	Basis	Ratios as at March 31, 2017				Ratios as at March 31, 2016			
			Fire	Marine	Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
1	Gross Direct Premium Growth rate *	(GDPI (CY)- GDPI(PY))/ GDPI (PY)								
a	Indian Operations		0.13%	29.68%	50.04%	42.43%	9.90%	4.48%	33.61%	28.91%
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	GDPI/ Networth of Current year	0.37	0.06	3.21	3.64	0.43	0.06	2.48	2.97
3	Growth rate of Networth	[(Net worth of CY – Net worth of PY)] / Net Worth - PY				16.08%				16.73%
4	Net Retention ratio *	Net Premium / (Gross Direct Premium Income + Reinsurance Accepted)								
a	Indian Operations		49.03%	22.18%	52.39%	51.53%	46.45%	38.35%	66.60%	63.08%
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		4.80%	-45.83%	-0.40%	-0.22%	15.40%	-19.69%	-0.25%	1.24%
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	Expenses of Management / GDPI	21.02%	13.29%	21.52%	21.33%	24.54%	20.32%	28.62%	28.00%
7	Expenses of Management to Net Written Premium Ratio	Expenses of Management/ NWPI	41.84%	59.89%	41.06%	41.27%	51.64%	53.00%	43.21%	44.25%
8	Net Incurred Claims to Net Earned Premium	Net Incurred Claims / Net Earned Premium	26.01%	43.86%	75.61%	70.91%	51.65%	83.12%	72.86%	70.80%
9	Combined ratio	Net Incurred Claims divided by Net Earned Premium plus expenses of management (including net commission) divided by Net written premium								
a	Indian Operations		60.62%	27.80%	110.52%	105.41%	102.80%	99.85%	108.36%	107.79%
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	(URR + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER) / Net Premium	1.66	0.67	1.33	1.36	1.65	1.27	1.45	1.47
11	Underwriting balance ratio	(Underwriting profit/ loss)/ Net Earned premium	0.35	0.68	(0.10)	(0.06)	(0.09)	0.02	(0.11)	(0.10)
12	Operating profit ratio	Underwriting profit / Loss + Investment Income of policy holders' funds / Net Earned premium	55.34%	76.77%	2.67%	8.06%	9.49%	11.62%	2.58%	3.43%
13	Liquid Assets to Liabilities ratio	Liquid Assets/ Policyholders liabilities				0.54				0.39
14	Net Earnings ratio	Net profit after tax / Net premium				7.36%				7.67%
15	Return on Net worth	Net profit after tax / Networth				13.85%				14.33%
16	Available Solvency Margin Ratio to Required Solvency Margin Ratio					1.57				1.69
17	NPA Ratio					-				-

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

#### Signatures to Schedules 1 to 16

##### For Ramesh C. Agrawal & Co.

Chartered Accountants

Sd/-

**R. C. Agrawal**

Partner

Membership No. 070229

Firm Reg. No.001770C

##### For V. K. Jindal & Co.

Chartered Accountants

Sd/-

**V. K. Jindal**

Partner

Membership No. 070666

Firm Reg. No. 001468C

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

Sd/-

**O. N. Singh**

Chairman

DIN no.00182616

Sd/-

**Rajiv Kumar**

Managing Director & CEO

DIN no.07633092

Sd/-

**Ashok Kumar Roy**

Director

DIN no. 02736752

Sd/-

**Sarvesh Agrawal**

Chief Financial Officer

Membership no. 111185

Sd/-

**Shilpa Mantri**

Company Secretary

Membership no. A22028

Place: Mumbai

Date: May 19th, 2017

41 b. RATIOS FOR NON-LIFE COMPANIES FOR SEGMENT WISE

Sr. No.	Performance Ratio	Basis	Ratios as at March 31, 2017		Ratios as at March 31, 2016	
			Indian Operations	Foreign Operations	Indian Operations	Foreign Operations
<b>1</b>	<b>Gross Direct Premium Growth rate (Segment Wise)</b>	<b>(GDPI (CY)- GDPI(PY))/ GDPI (PY)</b>				
	Fire		0.13%	0.00%	9.90%	0.00%
	Marine Cargo		14.18%	0.00%	-7.85%	0.00%
	Marine Hull		126.19%	0.00%	527.28%	0.00%
	Motor OD		16.96%	0.00%	28.07%	0.00%
	Motor TP		36.35%	0.00%	21.90%	0.00%
	Workmen's Compensation		-34.50%	0.00%	-11.44%	0.00%
	Personal Accident		42.22%	0.00%	135.50%	0.00%
	Health Insurance		-32.16%	0.00%	0.87%	0.00%
	Liability		-10.89%	0.00%	-52.77%	0.00%
	Engineering		-54.93%	0.00%	10.25%	0.00%
	Aviation		100.00%	0.00%	0.00%	0.00%
	Trade Credit		-65.38%	0.00%	15.62%	0.00%
	Others		130.49%	0.00%	75.03%	0.00%
	<b>Total</b>		<b>42.43%</b>	<b>0.00%</b>	<b>28.91%</b>	<b>0.00%</b>
<b>2</b>	<b>Net Retention ratio (Segment Wise)</b>	<b>Net Premium / (Gross Direct Premium Income + Reinsurance Accepted)</b>				
	Fire		49.03%	0.00%	46.45%	0.00%
	Marine Cargo		28.77%	0.00%	45.35%	0.00%
	Marine Hull		1.48%	0.00%	-5.24%	0.00%
	Motor OD		94.01%	0.00%	91.98%	0.00%
	Motor TP		92.79%	0.00%	93.37%	0.00%
	Workmen's Compensation		71.73%	0.00%	95.00%	0.00%
	Personal Accident		76.55%	0.00%	78.34%	0.00%
	Health Insurance		86.52%	0.00%	87.27%	0.00%
	Liability		47.71%	0.00%	-1.97%	0.00%
	Engineering		41.25%	0.00%	36.88%	0.00%
	Aviation		16.67%	0.00%	0.00%	0.00%
	Trade Credit		5.02%	0.00%	8.23%	0.00%
	Others		20.65%	0.00%	28.15%	0.00%
	<b>Total</b>		<b>51.53%</b>	<b>0.00%</b>	<b>63.08%</b>	<b>0.00%</b>
<b>3</b>	<b>Net Commission ratio (Segment Wise)</b>	<b>Net Commission / Net Written Premium</b>				
	Fire		4.80%	0.00%	15.40%	0.00%
	Marine Cargo		-35.33%	0.00%	-14.94%	0.00%
	Marine Hull		-688.09%	0.00%	236.11%	0.00%
	Motor OD		5.28%	0.00%	5.14%	0.00%
	Motor TP		-0.27%	0.00%	0.00%	0.00%
	Workmen's Compensation		10.84%	0.00%	8.10%	0.00%
	Personal Accident		1.09%	0.00%	6.99%	0.00%
	Health Insurance		9.53%	0.00%	7.52%	0.00%
	Liability		7.33%	0.00%	572.81%	0.00%
	Engineering		-24.82%	0.00%	-11.07%	0.00%
	Aviation		0.00%	0.00%	0.00%	0.00%
	Trade Credit		364.81%	0.00%	126.03%	0.00%
	Others		-15.79%	0.00%	-25.62%	0.00%
	<b>Total</b>		<b>-0.22%</b>	<b>0.00%</b>	<b>1.24%</b>	<b>0.00%</b>



## UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 134, dated November 16, 2007

### RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

	Year Ended March 31, 2017	Year Ended March 31, 2016
(₹ in 000's)		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Premium received from policyholders, including advance receipts (including service tax)	13,421,915	10,632,320
Other receipts (including environment relief fund & Terrorism Pool)	5,569	6,149
Receipt / payments from / to re-insurers, net of commissions and claims (including service tax)	(516,643)	236,213
Receipt / payments from / to Co-insurers, net of claims recovery	(172,154)	(497,611)
Payments of claims (net of salvage)	(4,024,843)	(7,000,761)
Payments of commission and brokerage (including service tax)	(450,827)	(503,707)
Payments of other operating expenses	(2,457,982)	(2,097,066)
Preliminary and pre-operative expenses	-	-
Deposits, advances and staff loans	(38,119)	96,435
Income tax paid (net)	(97,242)	(87,540)
Service tax Paid (net)	(1,248,058)	(1,209,259)
Expenditure on CSR activities	(5,444)	(2,709)
Cash flows before extraordinary items	4,416,172	(427,536)
Cash flows from extraordinary items	-	-
<b>Net cash from Operating activities</b>	<b>4,416,172</b>	<b>(427,536)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(78,731)	(121,074)
Proceeds from sale of fixed assets	-	-
Purchases of investments	(5,195,896)	(494,411)
Loans disbursed	-	-
Sales of investments	-	-
Repayments received	-	-
Rents / Interests / Dividends received	911,395	1,020,654
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	(30,466)	(24,614)
<b>Net cash used in Investing activities</b>	<b>(4,393,698)</b>	<b>380,555</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital (including share premium)	-	-
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest / dividends paid	-	-
<b>Net cash from Financing activities</b>	<b>-</b>	<b>-</b>
<b>Effect of foreign exchange rates on cash and cash equivalents, net</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>22,474</b>	<b>(46,981)</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>840,777</b>	<b>887,758</b>
<b>Cash and cash equivalents at the end of year</b>	<b>863,251</b>	<b>840,777</b>
As per our attached report of even date.		

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

Chartered Accountants

Sd/-

**R. C. Agrawal**

Partner

Membership No. 070229

Firm Reg. No. 001770C

**For V. K. Jindal & Co.**

Chartered Accountants

Sd/-

**V. K. Jindal**

Partner

Membership No. 070666

Firm Reg. No. 001468C

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

Sd/-

**O. N. Singh**

Chairman

DIN no. 00182616

Sd/-

**Rajiv Kumar**

Managing Director & CEO

DIN no. 07633092

Sd/-

**Ashok Kumar Roy**

Director

DIN no. 02736752

Sd/-

**Sarvesh Agrawal**

Chief Financial Officer

Membership no. 111185

Sd/-

**Shilpa Mantri**

Company Secretary

Membership no. A22028

**Place:** Mumbai

**Date:** May 19th, 2017

## NOTES

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## NOTES

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## NOTES

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

**2**  
Years

**3**  
Years



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### **Regd. Office: Universal Sampo General Insurance Co. Ltd.**

Unit No. 401, 4th floor, Sangam Complex, 127, Andheri Kurla Road, Andheri (E), Mumbai – 400059

Board Line: 022 2921 1800 | Toll Free No. 1800 224 030 | Fax No: 022 2921 1844 | Web: [www.universalsampo.com](http://www.universalsampo.com)