



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

A hand points to a central circular diagram with 'INSURANCE' in the center. Surrounding it are icons for various insurance types: a family, a house, a car, a heart with a pulse line, an airplane, and a rupee symbol. The background is a blue digital grid.

**INSURANCE**

**Leading the way to  
Digital Insurance**

**Annual Report  
2018 - 19**



Health Insurance



Motor Insurance



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

**Insuring your  
Health, Property & Assets  
at every step**

Home Insurance



Travel Insurance



**Toll Free No.1800-200-4030 | Log on to [www.universalsampo.com](http://www.universalsampo.com)**

ENG/MULTI/AR/152/2019 | 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.



## Inside The Report

### Corporate Overview

01	The USGIC Story
05	Board of Directors
06	Previous Directors
07	Committees of Board / Corporate Information
08	Performance Highlight Of The Year
09	USGIC - Premium Growth Trajectory
10	USGIC - Employee Engagement
11	USGIC - Digital Mode

### Statutory Reports

13	Director's Report
43	Corporate Governance Report
51	Management Report
57	Auditor's Report

### Financial Statements

64	Balance Sheet
65	Profit and Loss Account
66	Revenue Account
83	Notes to Account
108	Cash Flow Statement







## 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.

—| Brought to you by |—



—| In association with |—



**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.



## About Us

Universal Sampo General Insurance incorporated in 2007 with the support and partnership of credible Public & Private corporate entities from India and Japan. It's a joint venture of Allahabad Bank, Indian Overseas Bank, Karnataka Bank Ltd, Dabur Investment Corporation and Sampo Japan Nipponkoa Insurance Inc.

We have maintained a steady progress towards attaining our vision and mission along with sustaining customer centricity which forms a core of our services. Further, enabling our tag line "Suraksha , Hamesha Aapke Saath" our Company has facilitated our customers in the time of distress. The Company has 86 branches and 17 Zonal offices coupled with digital platform which provides easy access to our customers. With the growing urban and rural India, we believe that we have vast opportunities to create value for our stakeholders.



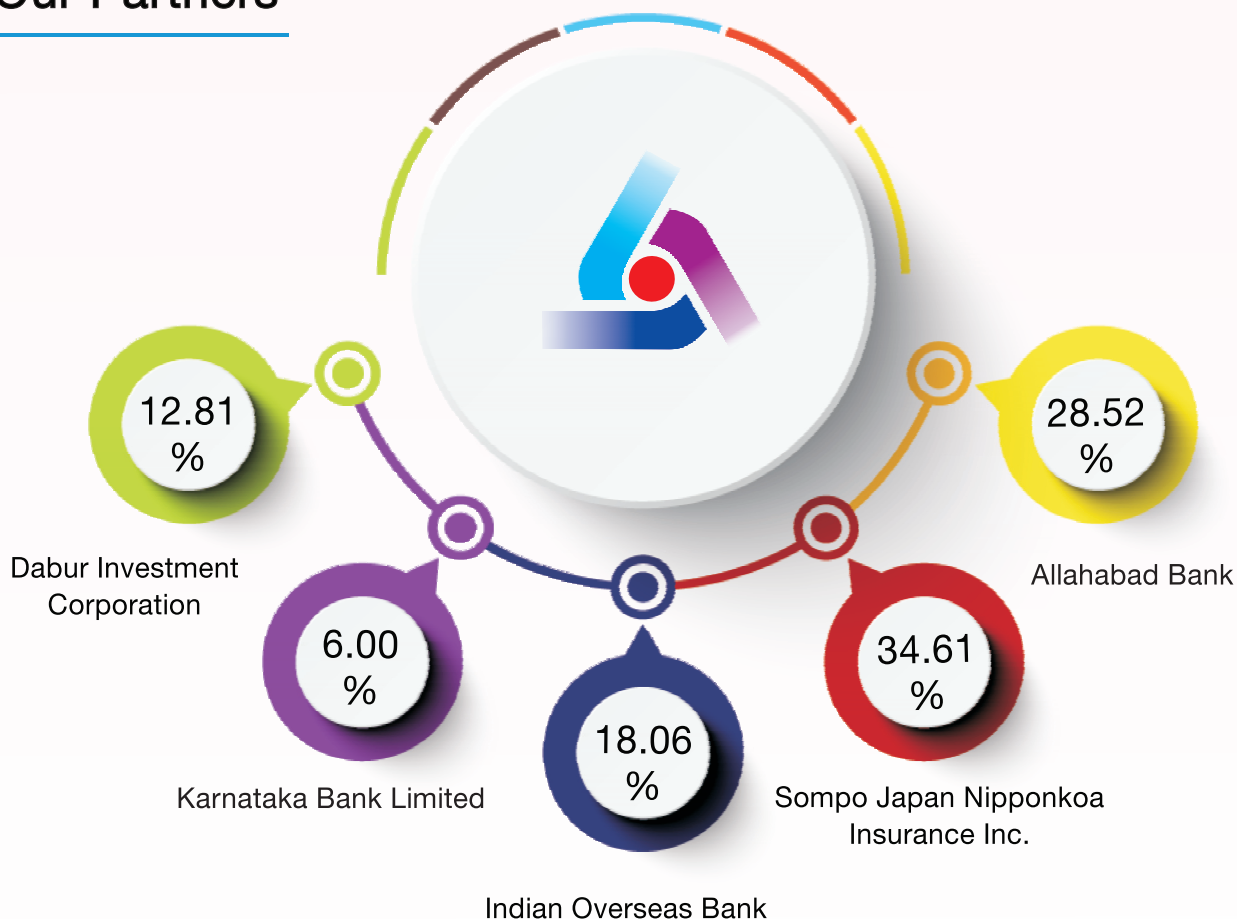
The USGIC  
Story

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

## Our Partners





## Vision

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

## Mission

To Provide

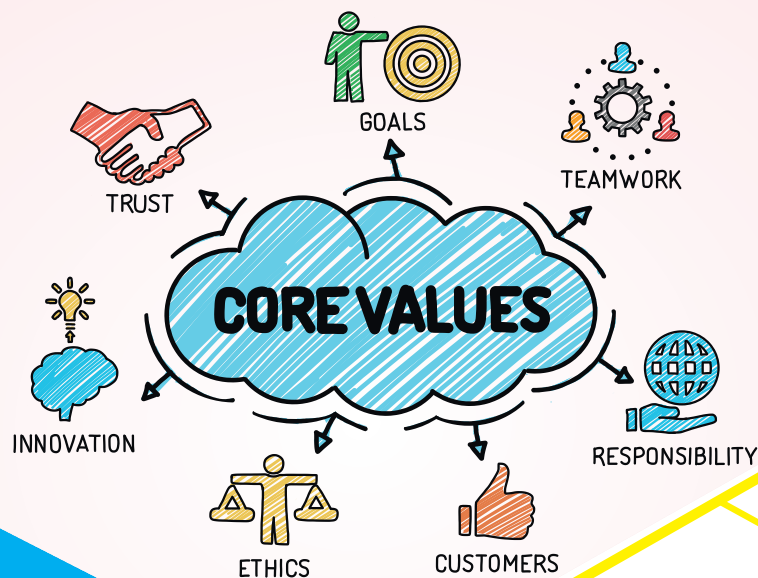
- Superior value for our customers
- Stable returns for our shareholders
- Stimulating work environment for our employees
- Safety consciousness for the society



## We Shall Strive

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





## Value, Culture, Strategy

We value our customers and their sentiments while making decisions, because they contribute to our business. We are committed to provide security, health and well-being of our customers and society by offering insurance and related services of the highest standards.



## Our Strength

- 1 A trusted brand with customer centric approach that enhances our appeal to consumers.
- 2 Efficient technological platform that ensures ease of purchase for consumers and enables rapid integration with partners and distributors.
- 3 Proven ability to consistently grow and deliver across business cycles with competitive product and prices.
- 4 Growing multi-channel distribution footprint that provides market access across geographies & consumer segments.
- 5 Strong position in Bancassurance with Leading Bank Partners tie up in India.
- 6 Strong financial performance defined by profitable growth reflecting robustness of the business model.

# Our Management Policy

## Teamwork

Dedicated team that works on Revenue Targets.



## Culture

Creation of dynamic and vibrant organizational environment to enhance growth opportunity.



## Risk & Compliance

Setting highly transparent based Operations Governance, effective Risk Management and Compliance System.



## Business Approach

Business Approach - Mine few "wells" but mine them deep, with our each and every action as an individual that builds up the entire reputation of the Company.



## Integrity

Strong approach in channel wise collaboration in all areas for efficient business stability.



## Complete Respect

Complete respect for the partner's brand, business model and "ownership" of customer.



## Customer Satisfaction

Pursuit of service quality to become the best service provider in Industry.





# BOARD OF DIRECTORS



Mr. O.N.Singh  
CHAIRMAN

Mr. CH. S.S.  
Mallikarjuna Rao  
Additional Director



Mr. P. Jayarama  
Bhat  
Non- Executive Director



Mr. Mohit Burman  
Non- Executive Director



Mr. Sanjay  
Aggarwal  
Additional Director



Mr. D Palanisamy  
Additional Director



Mr. Yasuhiro  
Sasanuma  
Non- Executive Director



Mr. Daniel Neo  
Additional Director



Mr. Hirokazu  
Yokomizo  
Additional Director



## BOARD OF DIRECTORS

**Dr. Ram Nath**  
Independent Director



**Mr. Ram Niwas Jain**  
Independent Director



**Mr. Sandip Ghose**  
Independent Director



**Mr. Kuniaki Takahashi**  
Alternate Director



**Mr. Aditya Tibrewala**  
Alternate Director



## PREVIOUS DIRECTORS

**Mr. Rajiv Kumar**  
Managing Director &  
Chief Executive Officer



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



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



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



Note: Board of directors as on 23/07/2019



## Committees of Board

 <b>AUDIT COMMITTEE</b> Mr. Ram Niwas Jain – Chairman Mr. O N Singh Mr. Daniel Neo Mr. Mohit Burman Mr. Sandip Ghose Dr. Ram Nath	 <b>INVESTMENT COMMITTEE</b> Mr. O N Singh- Chairman Mr. Sandip Ghose Mr. Hirokazu Yokomizo Mr. P. Jayarama Bhat	 <b>RISK COMMITTEE</b> Mr. O N Singh- Chairman Mr. Sandip Ghose Mr. Hirokazu Yokomizo
 <b>POLICYHOLDERS PROTECTION COMMITTEE</b> Mr. O N Singh- Chairman Mr. Hirokazu Yokomizo Mr. Ram Niwas Jain	 <b>RE INSURANCE COMMITTEE</b> Mr. O N Singh- Chairman Mr. Mohit Burman Mr. Ram Niwas Jain Mr. Hirokazu Yokomizo	 <b>CSR COMMITTEE</b> Mr. O N Singh- Chairman Mr. Ram Niwas Jain Mr. Hirokazu Yokomizo
 <b>NOMINATION &amp; REMUNERATION COMMITTEE</b> Mr. Ram Niwas Jain – Chairman Mr. O.N.Singh Mr. Ch. S.S. Mallikarjuna Rao Mr. Hirokazu Yokomizo Mr. Sandip Ghose Dr. Ram Nath	 <b>SHARE ALLOTMENT COMMITTEE</b> Mr. O.N.Singh – Chairman Mr. Sandip Ghose Mr. Hirokazu Yokomizo Mr. Ch. S.S. Mallikarjuna Rao	 <b>COMMITTEE OF DIRECTORS</b> Mr. O.N.Singh – Chairman Mr. Sandip Ghose Mr. Hirokazu Yokomizo

Note: Committee of Board as on 23/07/2019

## Corporate Information

### MANAGEMENT TEAM

**Mr. Bisheshwari Singh** - CMO  
**Mr. Keita Hashiba** - Deputy CEO  
**Mr. Vikas Garg**- Appointed Actuary  
**Mr. Sanjay Makwana** - CFO  
**Mr. Hareshwar Karekar** - CIO  
**Mr. Abhijeet Dhamale** - Head Legal & Chief Compliance Officer  
**Mr. Samir Kerkar** - Head - Internal Audit  
**Mr. Tanmaya Kumar Panda**- Head HR  
**Mr. Nirmal Bhattacharya** -Chief UW  
**Ms. Chetna Vasani** - Company Secretary  
**Mr. V. V. Vendhen** - Head Banca  
**Mr. Arun Singh Bhadauria** - Head Motor  
**Mr. Vikas Mathur** - Head Health  
**Mr. Virendra Kumar Ghotia** - Head Admin  
**Mr. Ravindra Deshpande** - Head IT  
**Mr. Ajinkya Parbhane** - Incharge-Risk Management  
**Mr. Atul Tandon**- National Head Operations

### AUDITORS

#### STATUTORY AUDITORS

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

#### SECRETARIAL AUDITOR

M/s. Deep Shukla & Associate,  
 Company Secretaries

#### REGISTRAR & SHARE TRANSFER AGENT


Karvy Computershare Pvt. Ltd.  
 17-24 Vithal Rao Nagar, Madhapur,  
 Hyderabad 500 081, India  
 P : +91 040 44655265  
 email id:support@karvy.com

### REGISTERED & CORPORATE OFFICE

401, Sangam Complex, 127,  
 Andheri Kurla Road,  
 Andheri(E),  
 Mumbai-400 059

 [www.universalsompo.com](http://www.universalsompo.com)

 [contactus@universalsompo.com](mailto:contactus@universalsompo.com)

 022 29211800

 022 29211844

CIN No.: U66010MH2007PLC166770

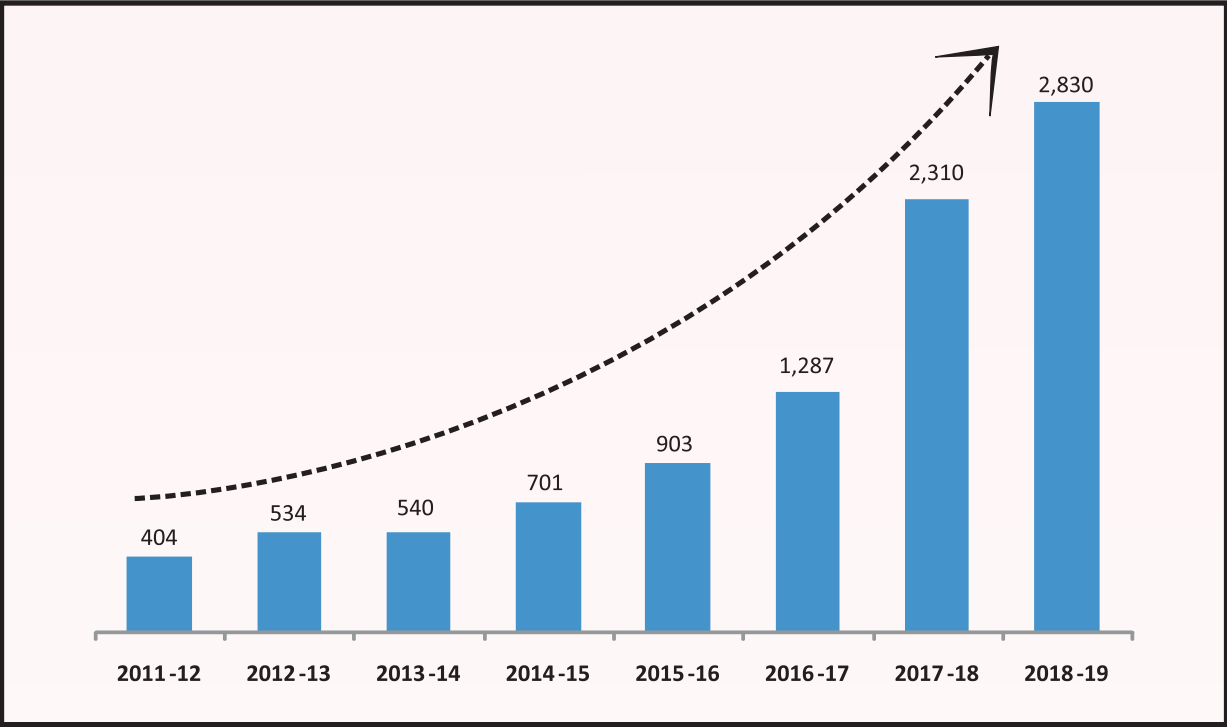
# Performance Highlights Of The Year

## Financial Highlights

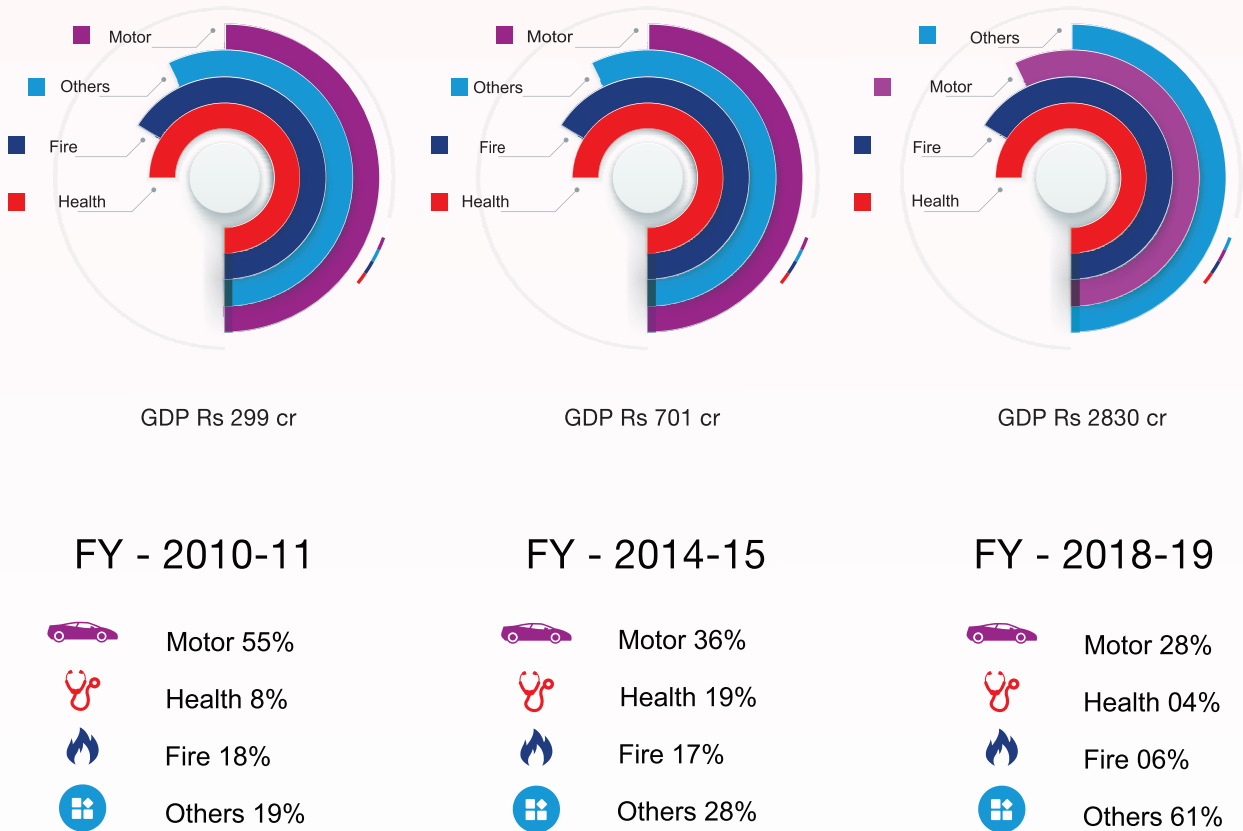




# Premium Growth Trajectory

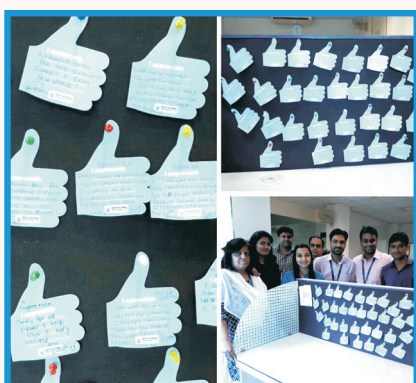


## Business Mix



## USGIC - Employee Engagement

“At USGI we believe in inculcating a culture that looks beyond work and do a value addition towards its employees’ engagement. We believe in creating healthy & engaged Human Capital in order to make USGI ‘A Great Place to work’ and to increase the productivity. Our objective is to ensure that each & every employee is fully committed to the company’s mission, vision, & values and that they remain encouraged, inspired and more driven to contribute the overall success of the business. We strongly believe that employees who feel engaged are proven to not only be more productive and content in their job role, but they are also more dedicated to the company”.



I appreciate



Eye Check-Up



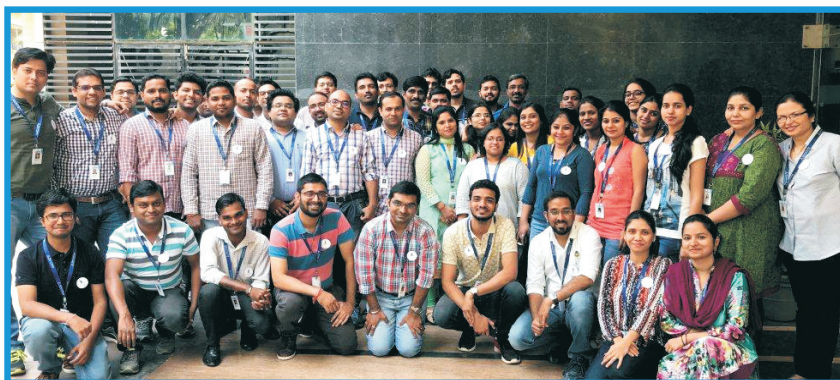
Independence Day



World Heart Day



International Women's Day



World Cancer Day



Road Safety-CSR



# USGIC - Digital Mode

USGI believe that digitally-driven transformation is the key to organization's commercial future

## MI Paperless Claim Settlement

Reduces manual work to prepare and upload an excel file on MI portal for claim settlement & NMI intimation

## Website transformation

USGI website is revamped to make it more intuitive and to increase its performance and SEO ratings

## Policy Schedule Portal

The application is developed by in-house development team to reduce TAT and cost of dispatch



## Data Warehouse

A data warehouse in USGI will speed up the process of reporting



## Marine Claim Management System

An online application built for claim management and settlements in Marine

## Paytm

Universal Sampo has integrated with Paytm to ease off Motor Policies renewal



## Real Time Policy Issuance

IT integration with Bank Partner Indian Overseas Bank for Real Time Policy issuance of IOB Suraksha Product



## Chatbot

Set up of chatbot to boost revenue and improve customer experience while buying/renewing policy

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS



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

**2**  
Years

**3**  
Years



## TWO WHEELER LONG TERM PACKAGE POLICY

**Renewal Ka No Jhanjhat, Ride Safe and Stay  
Secured upto 3 years ...**

**Toll Free No. 1800 22 4030 | Log on to [www.universalsampo.com](http://www.universalsampo.com)**

ENG/TW/AR/154/2019 | 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. | UIN# IRDAN 134P0008V01201617 | 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.



## DIRECTORS' REPORT

To the Members of

### UNIVERSAL SOMPO GENERAL INSURANCE CO. LTD.

Your Directors have pleasure in presenting the 12th Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2019.

### Economic Scenario

In the Financial Year 2018-19, the dominant global themes were geopolitical volatility viz. US-Sino trade war, US-North Korea issue, Brexit uncertainty, rising crude price due to OPEC supply cuts as well as quantitative tightening with global central banks draining systemic liquidity after a decade. On domestic front, the past fiscal was a year of recovery from demonetization and initial disruption caused by Goods and Service Tax implementation. Further, the infrastructure group default and resulting liquidity tightening dampened the investor sentiment. Other domestic factors which resulted in a volatile fiscal were average monsoon with pockets of deficient rainfall and weaker macro-economic factors viz. rising crude, depreciating currency, expanding fiscal deficit, etc. For the financial year 2018-19 in equities, FIIs were marginal net sellers with an amount of Rs. 88 crore and DIIs were net buyers of amount of Rs. 81,945 crore.

During the Financial Year 2018-19, the liquidity in the system for the first quarter was in surplus, however it receded gradually. The average liquidity for the year remained negative at Rs. 0.33 lakh crore. During the year, RBI has injected total liquidity of Rs. 2.98 lakh crore. The 10 year G-Sec yield reached a high of 8.23% and closed at 7.48% as on 31st March 2019. During the year, the average CPI inflation was 3.42% well below RBI's target zone of 4-4.25%. Stickiness of core inflation on account of higher commodity prices viz. crude and metal started cooling off in the third quarter. With receding inflation worries, RBI has cut its policy rate by 25bps in sixth bi-monthly policy review in 2018-19 followed by another 25bps rate cut in first bi-monthly policy review in 2019-20.

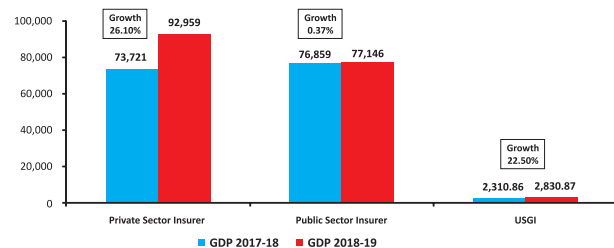
### Industry Developments

The General Insurance Industry in India operated with 34 Companies for the FY 2018-19, including the 4 Public Sector General Insurance Companies, 7 Standalone Health Insurers and 2 Specialized Insurers i.e. ECGC & AIC. In FY 2018-19, one new standalone health insurance Company, Reliance Health has started their business operation.

### Sector wise Distribution of General Insurance

Market Segment	Premium (in ₹ Cr)		Market Share	Growth
	FY 2017-18	FY 2018-19		
Private Sector Insurers	73,724.59	92,958.66	54.65%	26.10%
Public Sector Insurers	76,983.62	77,145.66	45.35%	0.37%
Industry	150,708.21	170,104.32	100.00%	12.95%
USGI	2,310.86	2,830.87	1.66%	22.50%

Source-Segment wise data Compiled by GI Council as on March for FY 2018-19



In FY 2018-19, General Insurance Industry recorded Rs. 170,104 Crs of premium with growth rate of 12.95% as compared to the premium of Rs. 150,580 Crs with growth rate of 17.54% in FY 2017-18. Premium growth of 12.95% in General Insurance Industry is on account of premium from Motor line of business and moderate growth in Crop Insurance - Pradhan Mantri Fasal Bima Yojana Scheme (PMFBY).

The Industry Crop premium has increased from Rs. 25,258.07 Cr in FY 2017-18 to Rs. 28,223.07 Cr in FY 2018-19 and is the 3rd largest line of business with overall contribution at 16.60% of total General Insurance Industry premium. In Motor segment, third party premium has registered growth at 15.38% in FY2018-19 due to the increase in Motor third party rate. Growth rate of Motor third party premium is over 0.54% growth registered by Motor OD segment.

On subdued growth rate of 0.37% in FY2018-19, Market share of Public Sector Insurers declined to 45.35% while Private Sector insurers dominated with market share of 54.65% with Premium growth of 26.10% in FY 2018-19.

Your Company has achieved Gross Direct Premium worth Rs 2,830.87 Crs with growth rate of 22.50% in FY2018-19. Your Company has successfully completed 11 years of operations after receiving certificate of registration from Insurance Regulatory Development Authority of India in November 2007 and remained one of the profitable insurers consecutively since last 6 years (from FY 2013-14 to FY 2018-19). Your Company has always performed well in terms of growth in premium across general insurance sector in India. Your Company has adopted business strategies to optimise channels as well as line of business mix by focusing on launching various products, various key business tie ups, exploring new geographical areas as well as penetrating to existing geographies over past years.

Business Premium & Growth -Crop & Non Crop Business			
Business Premium figures are in ₹ Crs	FY 2017-18	FY 2018-19	Premium Growth
CROP	1243.72	1712.25	37.67%
NON CROP	1,067.14	1118.62	4.82%
<b>GRAND TOTAL</b>	<b>2,310.86</b>	<b>2,830.87</b>	<b>22.50%</b>

Based on experience of earlier crop insurance schemes & Pradhan Mantri Fasal Bima Yojna scheme launched from Kharif-2016 in different states of India, your Company has continued to participate and implement crop insurance

scheme in FY 2018-19 as well. Your Company had participated in crop insurance scheme during 2018-19 in the States of Uttar Pradesh, Gujarat, Haryana, West-Bengal & Karnataka with premium growth of 37.67%.

In FY 2018-19, your Company has maintained a market share of 1.66% primarily due to Crop insurance premium of Rs. 1712.25 Crs & also grew business by focussing on other LOB.

Your Company has PAN India presence through Bancassurance Channel. Beside Bancassurance channel, the broker channel has also performed well and has registered a premium growth of 107.59% in FY2018-19. With a focused approach on every channel & following key business strategies your Company has achieved a growth of 22.50% in the general insurance industry in FY 2018-19 which has helped your Company to improve the market share of 1.66% in FY 2018-19 as compared to 1.53% in FY 2017-18.

Your Company has achieved growth rate of 8.05% in Motor vertical, almost at par with the industry's motor growth rate of 8.79% in FY2018-19. 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 1,282,195 policies in FY 2018-19 covering a total customer base of more than 1.70 Cr out of which 2,983,453 numbers of farmers were covered under Pradhan Mantri Fasal Bima Yojana scheme (PMFBY).

With increasing internet penetration and number of internet users, USGIC has given special attention towards online channel and Premium procured through online & Web Aggregator Channel for Motor & Health amounting to Rs 33.67 Crs for FY 2018-19. Your Company has maintained an upward momentum to capitalize the huge potential of CSC-Common Service Centres (CSC) Business with registered CSC channel and procured a premium of Rs. 2.46 Crs with 36.89% growth in FY 2018-19. Your Company is the first private Company to launch Travel product via CSC Channel in FY 2018-19. Your Company looks at newly launched channels by regulator as an opportunity to reach out to the new geographical areas where your Company don't have presence to serve customers.

#### Financial Summary for FY 2018-19

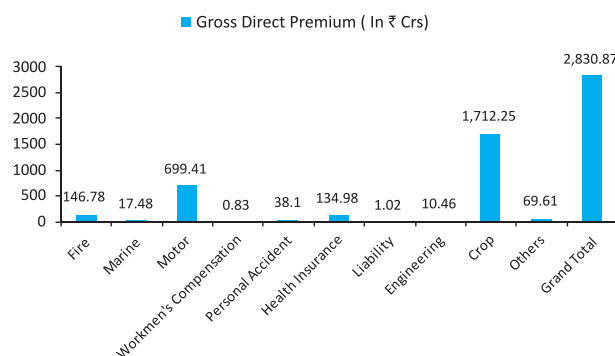
Particulars	FY 2018-19 (Amt in Crores)	FY 2017-18 (Amt in Crores)
Gross Direct Premium	2,830.87	2,310.86
Reinsurance Accepted	2.66	2.57
Gross Written Premium	2,833.52	2,313.43
Reinsurance Ceded	1,485.70	937.07
Net Written Premium	1,347.83	1,376.36
Unexpired Risk Reserve	98.77	179.07
Net Earned Premium	1,249.06	1,197.29

Particulars	FY 2018-19 (Amt in Crores)	FY 2017-18 (Amt in Crores)
Net Claims	879.67	674.03
Net Commission	66.42	-53.94
Operating Expenses	259.96	287.22
Underwriting Result	43.00	289.97
Investment Income - Policy holders	141.82	100.82
Other (Income) / Expenses	0.38	0.31
Interest Income From Terrorism Pool	1.53	1.02
Operating Profit	185.98	391.50
Investment Income - Share holders	28.76	40.19
Other (Income) / Expenses	8.03	2.11
Profit Before Tax	206.71	429.57
Provision for tax	71.17	133.02
Profit After Tax	135.54	296.56

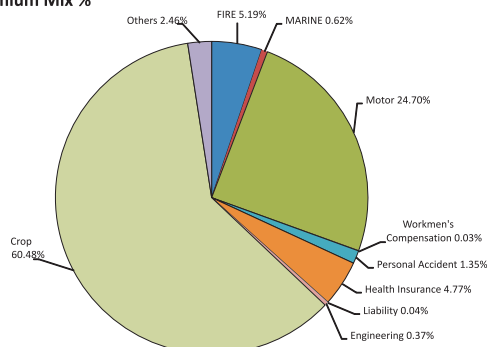
#### Business Operations

Your Company has achieved GDP of Rs. 2,830.87 Cr as on 31st March for FY 2018-19 as against Rs. 2,310.86 Cr as on 31st March for FY 2017-18. Your Company registered premium growth of 22.50% in FY 2018-19. Without crop, your Company has recorded premium growth of 4.82% in FY 2018-19.

Line of Business	Gross Direct Premium (In Rs. Crs)	Premium Mix %	Premium Growth (In %)
Fire	146.78	5.19%	3.24%
Marine	17.48	0.62%	-20.31%
Motor	699.36	24.70%	8.04%
Workmen's Compensation	0.83	0.03%	-54.61%
Personal Accident	38.10	1.35%	-35.17%
Health	134.98	4.77%	33.95%
Liability	1.02	0.04%	-5.99%
Engineering	10.46	0.37%	-22.54%
Crop	1,712.25	60.48%	37.67%
Others	69.61	2.46%	-12.90%
Grand Total	2,830.87	100%	22.50%



Premium Mix %



### Key Regulatory Updates In FY 2018-19

In FY 2018-19, 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.

- Cover for Compulsory Personal Accident (CPA) for Owner-Driver under Motor Insurance**  
IRDAI has issued guideline as per which Insurance regulator, IRDAI has decided to unbundle the compulsory personal accident (CPA) cover and allow the issuance of a standalone CPA cover for owner-driver. Your Company has successfully implemented the guideline provided by regulator.
- Reward & remuneration to web aggregators**  
The Insurance Regulatory and Development Authority of India (IRDAI) made it clear that the remuneration made to the insurance web aggregators will be in line with what is listed for insurance intermediaries. Moreover, the insurance companies will pay them the same commission that is paid to an intermediary for the post sale operation of a policy that the aggregator will indulge in.
- New reinsurance regulation from 1st January 2018**  
As per new regulation, Indian reinsurers will retain the first right of refusal but are required to simultaneously seek terms from at least four foreign reinsurance branches. This will allow non-Indian reinsurers to compete on equal terms with Indian reinsurers.
- Working Group Report for standardization of exclusion in health insurance**  
Considering the importance of standardization in health insurance and to enhance transparency IRDAI has issued working group report which has deliberated on issues like exclusions, waiting period etc across insurance industry.
- IRDAI has issued exposure draft on insurance services by common public service centres regulation 2018. The rationale for amendment**

is to streamline the regulatory framework of all distribution channels (like CSC, IMF, etc) and also to facilitate State Government sponsored entities to participate in the distribution of insurance products.

- In reference to Circular for constitution of a Central Database of all licensed insurance Sales Persons in India at insurance information Bureau of India (IIB). All insurance intermediaries have therein been advised to upload requisite details of Qualified Persons, Specified persons and Authorized verifiers, on the database of IIB.  
Your Company has successfully modified process and have uploaded all requisite details on the database of IIB.

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

Growth of Motor Business in 2018-19 is 8.05%. The growth is mainly from the broking channel and online business through web portals of the Web Aggregators and Brokers.

(in Cr.)

Channel	Agency	Banca	Honda	Maruti	Online	Other	Total
GWP 18-19	89.34	92.32	53.50	277.15	20.83	166.23	699.36
GWP 17-18	102.29	96.87	59.48	288.10	13.80	86.77	647.31
Growth	-12.66%	-4.70%	-10.05%	-3.80%	50.91%	91.57%	8.05%

Product wise, highest growth was in Goods Carrying Vehicle Insurance business. The growth in the GCV business is mainly from Broking Channel in the year 2018-19.

(in Cr.)

Product	P CAR	TW	PCV	GCV	Other	Total
GWP 18-19	341.07	19.68	67.55	259.56	11.50	699.36
GWP 17-18	365.39	15.98	77.40	176.00	12.56	647.30
Growth	-6.66%	23.13%	-12.72%	47.48%	-8.42%	8.05%

There were inherent challenges in the business of Motor in the year 2018-19 and the Company was more focussed in profitability. In the year 2019-20 the Company has taken aggressive growth target and focussed on growth with profitability in Motor Business.

#### Motor Insurance Service Providers

The guideline for Motor Insurance Service Provider was implemented w.e.f 1st November 2017. The Company is complying the MISP guidelines in letter and spirit. The Company is working with 1227 MISP registered broker and garnered business for Rs. 330.66 Cr through them.



The Company is empanelled as preferred insurer of Maruti and Honda Make motor vehicle and Suzuki make Two wheelers. The Company is fully complied with the regulatory requirement of MISP and achieve substantial growth in business through this channel.

The Company has been empanelled by M/S SMC Broker P Ltd. as preferred insurer for Honda Car India Ltd and Maruti Insurance Broking P Ltd as preferred insurance partner for Maruti Suzuki India Ltd and Suzuki Motor Cycle India P Ltd.

In the Financial Year 2018-19 the Company has procured business of Rs 330.6 Cr from MISP Dealers against 347.6 Cr in the FY 2017-18. The business was procured by 1227 MISP dealers across the country.

Channel	GWP 17-18 (in Cr)	GWP 18-19 (in Cr)	Growth	Active dealers 17-18	Active dealers 18-19
HONDA	59.48	53.50	-10.05%	189	192
MARUTI	288.10	277.15	-3.80%	582	1,035
<b>Total</b>	<b>347.58</b>	<b>330.65</b>	<b>-4.87%</b>	<b>771</b>	<b>1,227</b>

In the Financial year 2019-20, the Company has a plan to expand base and activate atleast 1750 Dealers across the country.

#### Web Aggregators

The Company has made its space in online sale of business and achieved 19.7% growth through Web Aggregators through their Web Portals integrated with us.

	Health	Motor	Travel	Total
GWP 18-19	12.77	20.83	0.07	33.67
GWP 17-18	5.94	11.58	0.03	17.54
Growth	115.15%	79.90%	161.50%	91.96%

Digitalization presents a growing opportunity to improve market share and profitability. It also urges insurers to apply Digital technologies in new ways and offer tangible value to customers. After having elucidated the extent of digitization in the country in the segment, there are immense opportunities of digitalization and selling insurance digitally. The Company is committed to increase digital spread directly and through intermediaries.

#### Agency

There is negative growth in agency business in the FY 2018-19. The negative growth is mainly attributed due to Motor Insurance Business. In FY 2017-18 motor agency business was skewed towards commercial vehicle – GCV. In the FY 18-19, in order to make agency business profitable we have taken corrective actions and weeded out non-profitable portfolio, which resulted in negative growth of 12.66%. The business other than Non Motor is also reviewed and corrective measures were taken to make portfolio profitable, which resulted to negative growth of agency business.

(in Cr.)

	Health	Motor	Other Non Motor	Total
GWP 18-19	15.60	89.34	3.98	108.92
GWP 17-18	12.70	102.29	4.75	119.75
Growth	22.82%	-12.66%	-16.22%	-9.04%

Company has recruited 93 agents and 439 POS in the FY 2018-19

FY	Agents	POS	Total
2017-18	304	476	780
2018-19	93	439	532

The recruitment of Agents is a continuous process and your Company shall adopt aggressive approach in the Financial Year 2019-20 and has plan to recruit 1000 active agents in the year to ensure profitable growth in Agency.

Your Company launched a campaign to recruit unemployment youth as career agents in the past which will continue in coming year as well. The idea is to provide hand holding support to them and develop their skill under skill development program. This will help to create direct or indirect employment and in future these unemployed youth may earn their livelihood as career agent also.

#### Point of Sales Persons

The Company recruited 439 Point of Sale (POS) in 2018-19. The Company shall have an aggressive approach on engagement of POS partners. The Mobile application developed for policy issuance at Point of Sales by POS is successfully launched which shall give a boost to the business through POS channel.

In the Financial Year 2019-20, the plan of the Company is to launch aggressive campaign for recruitment of Point of Sale partners. We shall target the persons engaged in self-employment and have good interface with the customer. After extensive training these individuals will be equipped to sell Motor, Health and Personal Accident policies to their customers.

#### Broking Channel

The Company in the Financial Year 2018-19 garnered business of Rs. 184.51 Cr against Rs. 55.29 in the previous year. Major growth is in the Motor products as most of the broker having their presence in the entire India changed their model and entered in to retail business.

(in Cr.)

	Health	Motor	Other Non Motor	Total
GWP 18-19	21.48	158.19	5.31	184.97
GWP 17-18	8.00	75.10	6.03	89.12
Growth	168.57%	110.64%	-11.96%	107.55%

There is a negative growth in Non Motor business as we weeded out non profitable segment and also fully complied the guidelines laid down by GIC.

### Insurance Marketing Firms (IMF)

IRDAI allowed registration and solicitation of Insurance business through Insurance Marketing Firms with certain stipulation. IMF can enter into agreement with maximum two Life, Two General and Two Standalone Health Insurer.

There are 200 IMF registered with IRDAI and we have already signed agreement with two of them and in FY 19-20 we are targeting the IMFs which have not yet entered into agreement with two General Insurance Companies.

### Office Updates

In FY 2018-19 your Company has not opened any new offices however, Company used this period to ensure that its productivity get increased through present Pan India offices. Your Company has a network of 111 offices, spread through the length and breadth of the Country. Your Company has 1 Corporate Office, 17 Zonal offices, 86 branches, 5 Agent Training Institute and 2 Policy Processing Centers which are available in all major cities in the Country. Your Company is dedicated to provide the best of services to customers.

### Corporate Planning

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

Strategic planning is important to an organization as it provides a sense of direction and outlines measurable goals. 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 has performed market analysis and regularly analyzed General Insurance industry as well as your Company's business in FY 2018-19. 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. Corporate Planning Department always provided accurate vigorous reports & MIS to ensure on maintaining efficient growth for the Company. The department has also advocated for better monitoring & control, formulated effective strategies

to achieve targeted goals in FY 2018-19.

### Strategies followed in FY 2018-19

1. Launch of lead square (Monitoring system for distribution channel)

In order to ensure proper monitoring and increase transparency, your Company has adopted effective internal monitoring system in FY 2018-19 for marketing department to improve productivity.

2. Initiative for cross selling

Your Company has started a new activity with the help of customer care team to pitch our Complete Healthcare Insurance/Critical Illness products to claimants who have availed our claim services and are satisfied with product and claim services. Your customer care team shall be using the Motor & Health claims data to identify such claimants and then pitch Complete Healthcare Insurance and/or Critical Illness in case of Motor claim and Critical Illness in case of Health claim.

3. Focus on Individual health line of business

In order to realize untapped potential, your Company is now focusing on Individual health products to sell via all the channels including corporate agency tie up with Banks. Your Company has promoted BANCA co-branded product named- IOB Suraksha for Indian Overseas Bank and KBL Suraksha with Karnataka Bank. In this policy personal accident death coverage of Rs. 10 Lakhs is available at a very reasonable premium to customers of Indian Overseas Bank and Karnataka Bank. Your Company has initiated various steps to increase the penetration of health business which includes:

- a. Several Health camps at selected locations were arranged in FY 2018-19
- b. Launched Value added services & Discounts under AAROGYAM to existing and prospective customers. These value added services & discounts are also mentioned on your Company's home page of website under the tab of "Customer center"

4. Leveraging use of information technology for improving performance of channel

Your Company has promoted Online Portal for sales & marketing team to update details about visits into portal for further analysis and monitoring of the channel. This online portal has helped us in many ways for tracking business performance related metrics which resulted into improvement in loan hit ratio for corporate agent-Banks, renewal ratio & target premium achievement. Your Company has rolled out additional payment channel namely PAYU apart from the existing payment channels. Besides, your Company has also made integration with PAYTM Mobile app to facilitate

customers.

To make the new website more weighted, "LIVE CHATBOT" has been introduced in FY 2018-19 in the new website. Your "LIVE CHATBOT" coined as "AARAMBH" would be acting as a "Digital Insurance Agent" which on the real time resolves all the customer queries 24 x 7 for both Motor and Health products and are in the process to make Chatbot more robust in future.

5. New product launches

Your Company has introduced new long term products in Motor line of business in FY 2018-19 and also working on various new products for other line of businesses as well.

6. Crop Insurance Business

Your Company has forayed into Karnataka, Gujarat, Haryana, West Bengal and Uttar Pradesh States for implementation of Pradhan Mantri Fasal Bima Yojana (PMFBY) scheme in FY 2018-19. Your Company takes pride in serving Farming community of our country by giving them financial security for their crop through PMFBY scheme. Your Company has won tenders in these States based on previous experience & expertise in analysing potential of the states on various parameters. Number of farmers covered under crop insurance has been at 2,983,453 in FY2018-19.

**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 FY 2018-19 is given below:

(in Cr.)

Business Sector	FY 2018-19		FY 2017-18	
	Amount of premium procured in Rural Sector	Rural sector premium as to GDPI (%)	Amount of premium procured in Rural Sector	Rural sector premium as to GDPI (%)
Rural Sector	1,737.58	61.38%	1,301.35	56.31%
Urban Sector	1,093.29	38.62%	1,009.51	43.69%
USGI	2,830.87	100.00%	2,310.86	100.00%

(₹ in 000's)

Business Sector	Year	Total business in the Financial Year	Number of lives covered under Social Sector in the FY for which figures are reported	Social Sector lives as to Total Business (%)
Social Sector	2018-19	22,549	4,432	19.66%
	2017-18	11,839	11,235	94.90%

**Policy Processing Centre – Operations**

Your Company has a centralized Policy Processing Centre. The Centre maintained its high efficiency at 100% policy issuance during FY 2018-19 by adopting standardized measures for policy processing & issuance Pan India basis. The Company has issued 12,82,195 policies in FY 2018-19 compared to 12,79,991 policies issued in FY 2017-18. Out of total policies 54.92% 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 (In Numbers)	3,92,559	2,07,930	1,03,786	5,77,920	12,82,195
Policies Issued (In Numbers)	3,92,559	2,07,930	1,03,786	5,77,920	12,82,195
Pending as on 31.03.2019	Nil	Nil	Nil	Nil	Nil
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 best way possible. Continuing with the same, your Company has provided following new initiatives in FY 2018-19:

**Agents and Brokers Services**

Your Company has initiated various enablers for Agency channel and Brokers to facilitate them to update status of various activities. The main initiatives are:

- Intimation on email and SMS to Individual Agents and Brokers about policy issued.
- Dispatch of Renewal notice to Agents & Brokers.
- Sharing of Renewal notices with Individual Agents & Brokers via emails.
- Renewal pending report to Individual Agents and Brokers via emails.
- Cheque Bounce intimations to Individual Agents & Brokers via emails and SMS
- NCB Recovery intimation to Individual Agent & Brokers via emails.

**PPC Initiatives**

To enhance customer satisfaction, PPC has implemented various steps to have better control and monitoring which has helped to reduce policy issuance TAT from T+3 in FY 2017-18 to T+2 days in FY 2018-19.

**EPOS application**

Your Company has further enhanced EPOS to all Agents/ Brokers and scaled up the policy issuance through EPOS across PAN India agents. The same application of EPOS



is extended to USGI Branches for instant motor policy issuance at branch level itself. At PPC office, the system is enhanced to sync EPOS with Genisys system to auto upload the policies.

#### Acknowledgement SMS to customers at the time of E-receipt

Premium acknowledgement SMS to customers started as per recent regulations.

#### Dashboard Services

Operations team has provided dashboard facility for USGI employee usage. Dashboard provides complete pendency of a branch under various heads like discrepancy of the branch/ cheque bounce recovery/ NCB recovery/ Deviation cases pendency/ Credit Un-reconciled report/E-covernote pendency. All this information is available at one place for Branch Manager/Zonal Head to check & review for corrective actionable at Branch / Zonal level.

#### Policy issuance on scan documents basis

To reduce policy issuance TAT, operations team has developed a system via which all Branches PAN India sends proposals to PPC on scan. This enables PPC to process policies with TAT less than T+1 day. This service is extended to all branches during last 10-15 days of each month.

Allahabad Bank healthcare policies started on upload basis where bulk of policies are issued in Genisys system at one go.

#### Policy printing application

The policy print application named PSP is further enhanced to include more products. With this enhancement, all the policies can be printed at USGI branches on real time basis.

#### Creation of Crop Cell at PPC

Your Company has underwritten GDP of Rs 1712.24 Crores in crop insurance in FY 2018-19. To cater to huge data reconciliation and various reports involved, a special "Crop cell" is created at PPC Operations where all MIS and data are handled. As per Government directives, the team has generated 5.92 lacs certificates in regional language and arranged the same to reach in the hands of the farmers covered in insurance policies.

#### 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 redressed system linked to mail and teleservices. The Company has a systematic recalling procedure (via telephone) for renewals for servicing current client base.

Your Company has set up Renewal Retention Cell at Call Centre to help Bank Branches for timely renewals and providing them renewed policies within one day working time. Through this cell, company will be calling the Bank branches, providing them renewal details and after receiving the payment/transaction ids, soft copy of the policies will be send within one working days' time and hard copy of the policies through courier.

Summary of IRDAI and Direct Complaints Received at USGIC for the FY 2018-19						
Complaint Type	Reported	Resolved	Pending	Escalated	Re Open	Acknowledged
IRDAI	199	199	0	0	0	0
USGIC	259	259	0	0	0	0
<b>GRAND TOTAL</b>	<b>458</b>	<b>458</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Status on Complaints in IGMS		
Status	No. of Complaints	Percent
CLOSED	385	84.1%
ATTENDED TOO	73	15.9%
<b>TOTAL</b>	<b>458</b>	<b>100%</b>

Resolution TAT	FY2018 -2019	Resolution %
1-7 days	458	100.00%
8-14 days	0	0.00%
15 - 21 days	0	0.00%
<b>Grand Total</b>	<b>458</b>	<b>100.00%</b>

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	63	63	0
<b>Grand Total</b>	<b>63</b>	<b>63</b>	<b>0</b>

Complaint Type	Reported	Resolved	Pending
Public Grievance Portal	68	68	0
<b>Grand Total</b>	<b>68</b>	<b>68</b>	<b>0</b>

Your Company has been sending Customer Satisfaction Feedback forms to the insured every fortnightly, to understand how satisfied our policy holders with services and also to understand their requirements. This process also gives the customer the perception that the Company values them and is committed to keep them as a long-term customer. On bases of customer feedback the decisions is made which help us to enhance our services even better and to keep our Customers more happy and confident.

Your Company has also been following the Directives of IRDAI in submitting the following reports on monthly basis;

- PRAGATI 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.

Your Company has also received compliments from IRDAI for all the months in FY 2018-19 for submitting PRAGATI statement on the First day of the month.

#### Product Development

During the FY 2018-19, your Company received following approvals of products from IRDAI:

- 60 Motor Add- on Covers
- 16 New Products
- 8 CSC products
- 2 Modifications of existing products
- 1 Fire Add on cover
- 1 PoS Product

With the approval of above products during FY2018-19, total products offering available in the bouquet of the products has gone up to 152 products and 109 add-ons, to cater the needs of various customer segment.

Your Company has also filed 6 long term Commercial Motor vehicle Policies for which approval is pending from IRDAI.

In addition to above work, your Product Development team also takes care of BAP filing of 24 legacy health products, Filing of pricing flexibility in annual motor products and add-ons and other related activities.

Keeping into the focus of growing retail health business, your Company has planned to file new health insurance products like Health Super Top Up and Top up Insurance Policy. In order to cater evolving needs of market, your Company will also file Motor Vehicle Warranty Insurance policy and Commercial Crime Insurance in F.Y. 2019-20.

Company also wish to expand the products offerings for commercial segment, leading to enhanced product offering in form of Add-on covers under Standard Fire and Special Perils Policy, Industrial All Risk Insurance and Engineering Insurance. In order to expand the product bouquet, product analysis & documentation for filing the product with Authority have been initiated for add-ons & products like Marine Sales turnover Insurance Policy, Standalone Terrorism Insurance, revision of Motor Add-ons etc.

#### Underwriting Operations

##### Commercial Underwriting

During this Financial Year till February 2019, there was not much of improvement in rates under Property segment. However in mid-February 2019, the National Reinsurer

GIC Re implemented an Endorsement pertaining to their Reinsurance Treaties with regard to Property and Engineering business in Indian market with effect from 01st March 2019. The aforesaid Endorsement stipulates as under:

- Minimum PML considerations for 100% Top Location Sum Insured (Material Damage + Business Interruption)- defined under various slabs of Sum Insured's;
- Endorsement applies to total of 109 occupancies listed under Insurance Information Bureau (IIB);
- Minimum FLEXA Rates, EQ & STFI rates for 33 IIB occupancies;
- Minimum EQ & STFI Rates to be charged for 76 IIB occupancies whether client intends to opt / or even if delete the EQ & STF Cover.
- The Premium Rates applicable for Material Damage (MD), Fire Loss of Profit (FLOP), Machinery Breakdown (MBD) and Machinery Loss of Profit (MLOP) Sections.
- Minimum Deductibles for 2 Occupancies;

GIC Re also directed that in case the Insurance Company deviates from the above Rates as a Sole/ Lead / Co Insurer, automatic capacity provided by National Reinsurer through Treaty Reinsurance arrangement will not be provided. While appreciating the above initiative taken by GIC Re in improving the property rates in Indian market, your Company has since implemented the above directive strictly with effect from 1st March, 2019.

#### Health Underwriting

During this financial year, your Company has procured good amount of Retail Health business via portability. Due to prudent underwriting in Group Health segment, loss ratio for this segment in your Company has come down significantly as compared to the preceding financial year. Your Company has been maintaining successfully the operations for in house claims settlement system with state of art software and with around 4705 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. During the year, there has also been increase in Retail Health on-line sale emanating from Web-Aggregator channel especially from Policy Bazar.

#### Reinsurance

The Reinsurance Arrangement for 2018-19 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. The Company's line wise retention was finalized after considering various factors such as capital and solvency position, available reinsurance capacity and adequacy of reinsurance terms. The Company is well prepared for any catastrophic events by periodic monitoring of exposures, assessing accumulations through statistical

Catastrophic (CAT) modelling tools and have adequate protection in place.

GIC Re remained to be the lead reinsurer with number of foreign reinsurers with valid UIN for 2017-18, as follows. In addition to the treaties, the Company also purchases Facultative Reinsurance for specific policies, on a case-to-case basis, where either the Treaty Limits are inadequate or the terms deviates from the Treaty Terms.

### Claims

Your Company continued to focus with proactive approach towards quick and transparent settlement of claims during the year 2018-19. Your Company maintained overall Claim settlement ratio at 100 % in the year 2018-19 even with increase in claim count by 23%. Your Company effectively settled 96% of the claims within 3 months to enhance customer satisfaction from 94% in the previous year 2018-19.

### Motor Claims

During the year 2018-19, motor claim servicing under the Maruti Insurance (MI) manufacture tie up continued the excellent performance shown by your team in all parameters even with substantial rise in the number of claims. This was made possible by effective usage of technology and efficient handling by the resources although the number of claims increased by a substantial margin.

During the year, new technologies in the form of application for live video streaming for use in motor claims was rolled out. During the year several new garages have been added in the cashless network to increase efficiency and customer satisfaction. The very latest technology which is end to end assessment and paperless settlement software with built in AI capabilities is under development.

### Commercial Claims

In Commercial Claims for the 3rd year running achieved the YTD target of 100% and handled almost 10,000 claims in the year. The claims outstanding as on 31st March 2019 is much lower than the closing claims figure of previous year.

### Health Claims

During the year, USGI further strengthened the capabilities through In house claims management by taking holistic approach to serve health customers. The customer centric approach and key initiatives taken during the financial year helps to provide best quality of services to valued customers.

Company has taken E - initiative to empower health customer by providing real time access through Health Serve Web Portal to policy holders, IMDs, Corporate, Service Providers and Bank Partners.

The Instant Health Insurance E Card on SMS and Claims Communication letter on SMS enables real time flow of information to customers.

Under customer engagement programme, your Company has developed wellness network to promote preventive health care management among USGI customers by

encouraging them to avail the services under preventive healthcare.

### Crop Claims

Huge volume of crop claims have been processed & paid to well over 8.48 lakh farmers from 5 different States. The large claim was successfully controlled and disposed within timelines. Dedicated crop claim intimation software was developed during the year and the same was very successfully used to handle the large volume of localized claims.

### Information Technology Initiatives

Your Company is keen in use of technology to reach & serve customers efficiently. USGI has taken various IT initiatives in FY2018-19 for better customer satisfaction as follows:

1. **MI Paperless Claim Settlement**  
It reduces manual work to prepare and upload an excel file on MI portal for claim settlement & NMI intimation. Also, it is easy to repudiate claim through web service and there is no need to discard claim manually from MI portal.
2. **Banca Partners Integration**  
It's a real-time integration with the USGICL partner banks for selling of major products. It facilitates customers with real-time policy issuance and policy document generation.
3. **OLA Integration**  
LIVE with two modules of OLA i.e. FLEET RENEWAL and SELF DRIVE with facilities like quotation generation, policy management, and Claim Management. In the FY 18-19 premium of Rs. 1.88 Cr was booked.
4. **Policy Schedule Portal**  
The application is developed by in-house development team to reduce TAT and cost of dispatch.
5. **Marine Claim Management System**  
An online application is built for claim management and settlements in Marine. Currently, we are live with Renault and Suzuki whereas there are plan to integrate with other partners as well.
6. **Crop Claim Management System**  
This is an online application to process crop claims. Not only this has reduced the TAT but also provide real time claim tracking system.
7. **Live Streaming**  
Live streaming to manage and swift settlement of motor OD claims.
8. **Data Warehouse**  
A data warehouse in USGI will speed up the process of reporting. Company is already Live with PR reports portion whereas Claim MIS is in pipeline and is estimated to go live by the end of 'Q2' FY 2019-20.



9. Chatbot

To increase customer experience and satisfaction chatbot is introduced. Total numbers of policies booked through chatbot are 192 and premium received is approx Rs. 11.70 Lakhs. USGI is currently live with Motor and Health and expected to be live with all other LOB's by the end of FY 2019-20.

10. Website Transformation

USGI website is revamped to make it more intuitive and to increase its performance and SEO ratings.

11. Integration with Paytm

Integration with PAYTM is done to sell policy renewals using their portal. Also, policy booked is synced with USGI core system. Renewal options for private car, two-wheeler, and CHI are currently available. 231 policies are booked and Rs. 7.27 Lac premium is booked.

**USGI has planned various IT initiatives for FY2019-20. These are as follows:**

1. CRM

Agents get a complete view of a customer relationship including all scheduled and past interactions, such as phone calls, emails, meetings and other activities, Setup multiple marketing campaigns with ability to create planning activities and campaign budget.

USGI has already procured CRM and are live with limited modules whereas remaining modules are to be deployed by the end of 4th quarter 2019.

2. Artificial Intelligence (AI)

Some of the applications of AI in Insurance are Data analysis performed by AI scores over human analysis when the data volume is large, Fraud Claims Model to detect fraudulent claims.

3. BI Tool

BI Tool will be integrated with data warehouse which will be used by users to extract reports and draw insights, this will reduce dependencies. However, analytical tool will provide insights based on data to increase business decision efficiency.

Tool will be deployed by the end of 4th quarter FY 2019-20.

4. Middleware

Integration of major LOB's like Motor, health & travel through middleware. This will reduce TAT as process will be channelized through a common platform.

5. Agency Portal

Through this application, agents will be able to issue policy on real time basis for major LOB's like health and motor.

6. Robotic Process Automation (RPA)

RPA will reduce operating costs and increase productivity. This will also improve TAT, quality and

customer support.

7. Workflow Management System for operational activities

Workflow System will automate the manual process which reduces the Operational TAT. In addition, it facilitates the centralized repository to store documents which can be used by department like operation, claim, accounts and underwriting.

8. WhatsApp

It will be used to interact with the customers i.e. to intimidate them about their renewal and to remind them of their policy expiry date and etc. Also, with the availability of web portal analytics can be drawn.

**Infrastructure and Security Achievement in FY: 2018-2019**

1. Implementation of IVR management system for Customer Support at USGI.

Avaya IPO Call Centre is implemented replacing the existing Nortel Contact Centre which delivers real-time information to supervisors as well as the Avaya Contact Centre Wallboard, which provides insight into business operations and enables immediate adjustment when needed to maximize agent availability.

2. Core Firewall Replacement

Core internal Cisco ASA firewall which filters the traffic from PAN India to Datacentre servers is been replaced with Checkpoint Firewall 5800 with advanced Capability of Application Inspection and Control, Advanced Threat Prevention, Intrusion Prevention System, Anti-Spam, Anti-Bot and Antivirus.

3. Transport Layer Security (Migration from TLS 1.0 to TLS 1.2)

TLS is the security protocol that allows computers to communicate over the internet securely, without the transmissions being vulnerable. IOB and Allahabad Bank integration server are migrated from TLS 1.0 to TLS 1.2 for supporting enhance security while data transferring over internet.

4. Bluecoat Proxy Implemented

The obsolete proxy server (Bluecoat Proxy SG-600) which serves as a gateway between USGI network and internet has been replaced with new Symantec advance security gateway (Symantec ASG-200) for enhancing the security of internet access.

5. Core Router & Switches replacement at Datacentre

Core routers (Cisco 3850) and switches (Cisco 2960) are replaced at Datacentre with next-generation Integrated Services Router (ISR- 4431) and Catalyst 9300 switches respectively to upgrade the existing 1 Gbps infrastructure to 10 Gbps.

6. Privileged Identity Management implemented

PIM is implemented for the monitoring and access

control of the super user. It also consists of cyber security strategies and technologies for exerting control over the elevated access and permissions for users, accounts, processes, and systems across an IT environment.

#### 7. Backup Solution implemented

The existing HP data protector solution did not suffice the requirement of USGI critical data backup which has been replaced with Commvault Hyper Scale Backup solution supporting single Management Console and one application to provide complete backup Solution to meet our entire backup requirement.

### Investment Operations

The total investment assets as on 31st March, 2019 were at Rs. 2,342.96 crore (at amortized cost) as against Rs. 2,152.18 crore as on 31st March, 2018. The total investment income (booked) in FY2018-19 stood at Rs.170.58 crore (Ex IL&FS provision for Rs.9.98 Cr. plus interest reversal of Rs.2.70cr) against Rs. 141.00 crore in FY2017-18.

During the year, the financial market was hit by unprecedented credit event of IL&FS Limited defaulting on debt servicing which widened the spreads in the NBFCs and had contagion effect on small NBFCs. Your Company has investment in IL&FS securities for total face value of Rs. 45 Cr, out of which interest payment on face value of Rs. 5 Cr which was due on 24th October, 2018 & maturity of commercial paper for face value of Rs.10 Cr on 27th November, 2018 has been defaulted by the IL&FS.

In view of the above, as per IRDAI (Investment) Regulation 2016, Master Circular-Version – 02, May 2017 and RBI Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated 1st July 2015 which has an overriding provision over IRDA Master Circular, your Company has classified investment in the IL&FS securities as substandard and made general provision of 15% on secured assets and 50% (25% as per regulation and additional 25% ad hoc provision) on unsecured assets, further we have been reversing the interest accrued on the above securities.

In the second event, Tata Sons Ltd. had changed its legal status to Tata Sons Pvt. Ltd. with effect from 6th August 2018. Your Company had investment for face value of Rs. 20 Cr. in non-convertible debentures (NCD) of Tata Sons Limited prior to year ended March 31, 2018. The Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015, specifies that an insurer cannot invest or keep invested in any private limited Company. On account of this development, your Company has exited investment from the Tata Sons Ltd. resulting in loss of Rs. 0.44 Cr.

During first half of FY2018-19, the inflation remained on a higher side on account of higher food and input prices, whereas in second half, although inflation has cooled down, however concern on fiscal deficit, demand constraints in bond market on account of credit event and receding

liquidity kept bond yields on elevated levels. In line with these developments and considering liability profile of your Company has kept portfolio duration below 3yrs. The return on the investment portfolio for FY2018-19 was 6.99% (ex provisions) from 8.07% for FY2017-18. The return on G-Sec in FY2018-19 was 6.95% as against 7.40% in FY2017-18. The term deposits were at 2.35% of the investment portfolio as of 31st March, 2019 as against 0.84% of the investment portfolio as on 31st March, 2018. The return on fixed deposit was 4.43% in FY 2018-19 against 7.75% in FY2017-18. During FY2017-18, all high yielding fixed deposits got matured, whereas during the FY2018-19, the fixed deposit rates were very low therefore investment in fixed deposit was made just to park un-deployed money during long weekends mostly for seven days, which has resulted lower investment return on fixed deposit. The growth in income mainly came from higher investible inflows and rise in interest rates. The rising interest rate helped in interest income but restricted opportunity for trading gains which reflects in return on investments.

For FY2019-20, the macroeconomic indicators like inflation and GDP growth are likely to be rates positive whereas supply and demand disparity may act negatively. Crude oil prices, development of monsoon, results of General election are events which can direct rates either way. Therefore, we will follow cautious approach towards investing in longer end of the curve.

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

### Human Resources

The employee strength at the end of the Financial Year 31st March, 2019 was 914 (on-roll) and 579 (off-roll) employees as against 914 (on-roll) and 662 (off-roll) employees at the end of the Financial Year 31st March 2018. The Premium productivity per employee (crop and non-crop) stood at 3.10 Cr. (on-roll) and 1.50 Cr. (both on roll and off-roll combined) against premium productivity per employee of 1.2 Cr registered by private insurer.

### Shareholders' Funds

#### Paid-up Share Capital

There was no change in the share capital of your Company during the Financial Year 2018-19. The paid up share capital of your Company stood at Rs. 368.18 crores as on 31st March 2019.

### Transfer of shares

During the year under review, there were two significant transfers between the stakeholders i.e. Karnataka Bank Ltd, Sompo Japan Nipponkoa Insurance Inc. and Dabur Investment Corp.

3,04,09,090 shares were transferred from Karnataka Bank Ltd to Sompo Japan Nipponkoa Insurance Inc. and Dabur

Investment Corp. in proportion to 75:25 respectively.

Post transfer of shares, the shareholding pattern was as follows:

Sr. No.	Name of Shareholders	Number of Equity Shares	Value in Rs.	Percentage
1	Allahabad Bank	10,50,00,000	1,05,00,00,000	28.52%
2	Sompo Japan Nipponkoa Ins Inc.	12,74,43,183	1,27,44,31,830	34.61%
3	Indian Overseas Bank	6,65,00,000	66,50,00,000	18.06%
4	Karnataka Bank Ltd.	2,20,90,910	22,09,09,100	06.00%
5	Mr. Mohit Burman, Partner – Dabur Investment Corporation	4,71,47,727	47,14,77,270	12.81%
<b>TOTAL</b>		<b>36,81,81,820</b>	<b>3,68,18,18,200</b>	<b>100.00%</b>

### 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 and IRDA/F&A/CIR/ACTS/146/06/2017 dated 28th June, 2017 has advised all the insurance companies to comply the Indian Accounting Standards for accounting period beginning from FY2020–21 with one year comparative. IRDAI has further directed that FY 2016-17 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 set up 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 shall oversee the progress of IND AS implementation & report to Board at regular intervals.

### Dividend & Reserves

Your Directors are pleased to recommend payment of final dividend @7% on the paid up share capital of the Company for the financial year ended March 31, 2019 amounting to Rs.25.77 crs , for the approval of the Members at the ensuing Annual General Meeting.

### Material changes affecting the financial position

No material changes and commitment affecting the financial position of the Company have occurred between 31st March, 2019 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:

- 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.
- Foreign Exchange Earnings and Outgo:  
During the Financial Year, outgo in foreign currency amount to Rs. 44.32 crores and earning amount to Rs. 11.86 crores.

### 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 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 Price. There were no 'material' contracts or arrangement or transactions with related parties and thus disclosure in Form AOC-2 [Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014] is not required.

### 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

#### Foundation of Risk Management System

In the rapid changing world of VUCA (Volatility, Uncertainty, Complexity and Ambiguity), the Company faces many risks while doing the business. The omnipresence and growing intensity of VUCA in the business environment present roadblocks to Company journey towards their objectives. The manifestation of VUCA can be seen in many forms like natural calamities, technological glitches and changes in financial markets. The forces of VUCA can have a severe impact on the Company.

As responsible stewards, the boards and management have to exercise due diligence to ensure that the Company is resilient to adverse impact of VUCA and navigate the Company effectively at the speed of change in the VUCA environment. Thus effective implementation of Enterprise Risk Management (ERM) Practice helps in setting up a system of risk management.

The foundation of risk management practices is built on three pillars: risk governance, risk appetite and risk management culture among employees of Company.

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 Management Policy and Governance

The Company has a Board approved "Risk Management Policy" which builds strong foundation of risk management practices across the Company. The Risk Management manual defines technique used in identification, evaluation and mitigating risks and develops internal risk management system.

The Board, through Audit Committee and Risk Management committee oversees the Company's systems of internal controls and their effectiveness. The Company's risk management system is designed to identify inherent risks and mitigate impact of risks in achieving business goals and objectives.

#### Risk Profile Monitoring Procedure adopted

Risk Profile 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.

#### Risk Reporting Procedures adopted

Risk Management Department has implemented ERM Framework to optimized the losses from internal and external threats using quantitative and qualitative methodology by placing controls for various threats that hinder the

organisation from achieving its business goals.

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

#### Risk Management Highlights for the year FY 2018-19

During financial year 2018-19, risk assessments have been carried out across all the departments. In Risk analysis, the severity of various risks involved in critical process were mitigated within tolerance limit of Company risk appetite. The Risk owner and Risk management team collaboratively put forth efforts in developing the action plan (roadmap) for implementing feasible internal controls.

Major activities carried out by risk management during the year are given below:

- Identifying Top ten risks faced by the organization.
- Regular assessment along with updating internal risk register and actions were taken on internal audit findings.
- Retaining Company risk matrix in green zone by continuous monitoring the status of various risks.
- Predictive modelling helps in determining the Emerging Risks that Company may face in future time.

In the light of above, Risk Management Department have already implemented ERM model in the Company by enhancing their capabilities and strategies in developing robust and sustainable internal model to protect the Company against financial risk, operational risk, and strategic risk.

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

The Internal Audit Team monitors the effectiveness of the Internal Control Systems. The recommendations of the Internal Audit Team on improvements in the operating procedures and control systems are for further strengthening the operating procedures

### 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 II** and is a part of the Report. The same is as on 31st March, 2019.

### Disclosure of Remuneration Paid to Directors:

As per Companies Act, 2013 and Corporate Governance Guideline issued by IRDAI, it mandates to place disclosure on remuneration paid to Directors and KMPs in Annual Report. Further, IRDAI Guidelines on Remuneration of Non-Executive Directors and Managing Director / Chief Executive Officer / Whole Time Directors of Insurers has also mandated all insurers to disclose the qualitative and quantitative part of remuneration paid to its Managing Director / Chief Executive Officer / Whole Time Directors. The Managing Director & CEO of the Company is the only whole time director in the Company.

The Remuneration Policy of the Company is approved by the Board of Directors on recommendation of Nomination and Remuneration Committee. The Remuneration Policy of the Company is framed to ensure the compliance of provisions of the Companies Act, 2013 and IRDAI Guidelines on Remuneration of Non-Executive Directors and Managing Director / Chief Executive Officer / Whole-Time Directors of Insurers.

### Qualitative Disclosure

- a. Design and Structure of remuneration processes and the key features and objective of remuneration policy

The Remuneration Policy lays great emphasis on adding and practicing good Corporate Governance practices with a view to achieve transparency in its operation so as to boost stakeholders' confidence.

The objective of this Policy is to ensure that the Managing Director/ Whole time Director and Non- executive Directors' are governed by comprehensive compensation criteria, that is based on their merits and valuable contribution made by them towards the success of the Company. Remuneration packages are designed to attract and retain high caliber management people as required for running the Company successfully.

- b. Description of the ways in which current and future risks are taken into account in the remuneration processes.

The Company ensures that the remuneration would be adjusted for all types of risk, Remuneration outcomes would be symmetric with risk outcomes, Remuneration payouts would be sensitive to the time horizon of the risk and mix of cash, equity and other forms of compensation would be consistent with risk alignment.

The Company would consider the measures of credit, market and liquidity risks for implementation of risk adjustment. Such risk adjusted methods would have both quantitative and judgmental elements.

The following minimum risks would be considered:

- i. Persistency Risk
- ii. Solvency
- iii. Grievance Redressal
- iv. Expenses of Management
- v. Claim settlement
- vi. Claim repudiations
- vii. Overall Compliance status
- viii. Overall financial position such as Net-Worth Position of Insurer, Asset Under Management (AUM) etc.
- c. Description of the ways in which the insurer seeks to link performance during a performance measurement period with levels of remuneration.

The remuneration consists of two parts i.e. fixed and variable. The fixed portion of compensation is reasonable taking into account all relevant factors. Deterioration in the financial performance of the Company and the other parameters as defined in the Policy, would generally lead to a contraction in the total amount of variable remuneration paid.

In case the variable pay constitutes a substantial portion of the total pay, i.e. 50% or more, a portion of the variable pay, say 40 % to 60 % would be deferred over a period of not less than 3 years and would be vested only on pro rata basis.

### Quantitative disclosure

The following table indicates the details of quantitative disclosure for remuneration of Managing Director and CEO:

Particulars	For Year ended 31.03.2019
Number of MD/ CEO/ WTDs having received a variable remuneration award during the financial year	1
Number and total amount of sign on awards made during the financial year	NIL
Details of guaranteed bonus, if any, paid as joining / sign on bonus.	NIL
Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms	NIL
Total amount of deferred remuneration paid out in the financial year	NIL

Particulars	For Year ended 31.03.2019
Breakup of amount of remuneration awarded for the financial year to show fixed and variable, deferred and non-deferred.	
Fixed	75,00,000
Variable	
i. Deferred	0
ii. Non-deferred	25,00,000

Following component will not be part of remuneration to the Directors –

- Sitting fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board will not be part of remuneration as mentioned herein

Provided that the amount of such fees shall not exceed the amount as prescribed under Companies Act, 2013.

- Reimbursement of expenses for participation in the Board and other meetings, subject to compliance with the provisions of the Companies Act, 2013.
- Any remuneration for services rendered by any such director in other capacity will also not be so included if—
  - the services rendered are of a professional nature; and
  - in the opinion of the Nomination and Remuneration Committee, the director possesses the requisite qualification for the practice of the profession.

As required by the provisions of Section 92 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 in the prescribed Form MGT-9, details of Remuneration given to Directors are covered under Form MGT-9 forming the part of Report.

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

As per Companies Act, 2013 and Corporate Governance Guideline issued by IRDAI, it mandates to place disclosure on remuneration paid to KMPs in Annual Report.

Pursuant to the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the employees are provided in **Annexure I** as attached as part of the Director's Report.

#### IRDAI Registration

The Company has paid the annual fees for the year 2019-20 as specified under the IRDA (Registration of Insurance Companies) Regulations, 2000 amended from time to time.

#### Board of Directors and their meetings

During the FY 2018-19, there were significant changes in the composition of Board of Directors of the Company due to new appointments and resignation of Directors.

Mr. Keita Hashiba, Nominee of Sampo Japan Nipponkoa Insurance Inc resigned due to alteration in his current Business Profile and Mr. Yasuhiro Michiaki Sasanuma was appointed as Director (Nominee Non-Executive), w.e.f 10/05/2018 .

Mr. Daniel Neo appointed as Alternate Director to Mr. Yuji Kawauchi on 11/05/2018, further vacated the office on 28/07/2018 and again appointed on 29/07/2018. Further, Mr. Yuji Kawauchi resigned as Non-executive Director w.e.f. 12/03/2019 therefore Mr. Daniel Neo Alternate Director to Mr. Yuji Kawauchi automatically ceased to be a Director w.e.f. 12/03/2019 and Mr. Daniel Neo again appointed as Additional Non-Executive Director w.e.f. 12/03/2019.

Mr. Aditya Tibrewala as Alternate Director to Mr. Yasuhiro Sasanuma vacated the office on 28/07/2018, appointed on 29/07/2018, vacated office on 25/09/2018, appointed on 26/09/2018, vacated office on 15/11/2018, appointed on 16/11/2018, vacated office on 02/02/2019, appointed on 03/02/2019, vacated office on 11/03/2019, appointed on 12/03/2019.

Dr. Ram Nath was appointed as Independent Director w.e.f 10/05/2018 and Mr. Ram Niwas Jain was re-appointed as an Independent Director at the General Meeting of the Company.

Mr. Naba Kishore Sahoo Nominee of Allahabad Bank ceased to be Non-Executive Director w.e.f 12/03/2019.

After, the end of the Financial Year following changes took place.

Mr. O. N. Singh who was appointed as Non-Executive Chairman (Non-Rotational) on 6th October, 2016 for 3 years, accordingly his term was expired on 30th April, 2019. Further he was re-appointed to hold office for further period of 2 years w.e.f. 01st May, 2019 to 30th April, 2021 subject to approval of Shareholders at General Meeting.

Mr. Rajiv Kumar, MD & CEO resigned w.e.f. 03/05/2019.

Mr. Ch. S. S. Mallikarjuna Rao, Nominee of Allahabad Bank and Mr. Hirokazu Yokomizo, Nominee of Sampo Japan Nipponkoa Insurance Inc were appointed as Additional Non-Executive Directors w.e.f 03/05/2019 and 04/05/2019 respectively.

Mr. Kuniaki Takahashi ceased to be Nominee Director w.e.f 04/05/2019 and was appointed as Alternate Director to Mr. Daniel Neo w.e.f 04/05/2019.

Ms. Radha Venkatakrishnan, Nominee of Indian Overseas Bank resigned w.e.f 23/07/2019 and Mr. D. Palanisamy was appointed in her place w.e.f 23/07/2019.



Mr. Sanjay Aggarwal, Nominee Director of Allahabad Bank was inducted on the Board of the Company w.e.f.23/07/2019.

Details of Directors, Composition of Board along with the detail of their meetings are placed in Corporate Governance Report as per **Annexure V**.

#### Directors liable to retire by rotation

In terms of Section 152 of the Companies Act, 2013, Mr. P. Jayarama Bhat, Non-Executive Director of the Company would retire by rotation at the forth coming Annual General Meeting and being eligible for re-appointment, have offered himself for re-appointment.

#### Independent Directors

As per the Corporate Governance Guidelines issued by IRDAI, considering the number of Nominee Directors & Executive Directors, it is necessary to have minimum three Independent Directors. During the year, the Company had three Independent Directors on its Board i.e. Mr. Ram Niwas Jain, Mr. Sandip Ghose and Mr. Ram Nath.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and 'fit and proper' declaration as laid down under Corporate Governance Guidelines of IRDAI.

#### Directors' Responsibility Statement

Pursuant to the Directors' Responsibility Statement as required under Section 134(3) (c) of the Companies Act, 2013 it is hereby confirmed that-

1. In the preparation of the annual financial statements for the year ended 31st March, 2019, 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, 2019 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

Pursuant to the provisions of the Section 178 read with Schedule IV of the Companies Act, 2013 and Guidelines for Insurance Companies issued by IRDAI, prescribes evaluation of performance of every Director, Board / Committee as a whole and evaluation of performance of Chairperson and Independent Directors. The Board carries out an annual performance evaluation of its own performance as a whole and that of its Statutory Committees. The Nomination and Remuneration Committee at their meeting held on 22nd July, 2019 carried out the evaluation of Individual Directors both Executive and Non-Executive including Independent Directors and Chairperson of the Board.

In addition, the Independent Directors at their separate meeting held on 22nd July, 2019, have inter-alia separately evaluated the performance of other than Independent Directors including Board and Committee as a whole, Performance of the Chairperson of the Company and Assessment of quality, quantity & timeliness of flow of information between the company management and the Board.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework as adopted in the Performance Evaluation Policy which was approved by the Board.

#### 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:

##### Statutory Auditors

Insurance Regulatory and Development Authority of India (IRDAI) vide circular dated May 18, 2016, had issued Corporate Governance Guidelines (CG guidelines) wherein criteria for appointment of Statutory Auditors of Insurance Companies has been stated. Pursuant to the CG Guidelines, the provisions of appointment of Auditors are aligned with the provisions of Companies Act, 2013.

In view of above, M/s. Rajendra K. Goel and M/s. V. K. Jindal & Co. were appointed as a Joint Statutory Auditors by the Members at the 11th Annual General Meeting held on 25th September, 2018 for term of 5

consecutive years to conduct Audit for FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23 subject to ratification by the Members at every Annual General Meeting.

The first proviso to Section 139 of the Companies Act, 2013 which provided for the ratification of appointment of the Statutory Auditors by the Members at every Annual General Meeting has been omitted by the Companies Amendment Act, 2017 w.e.f 7th May 2018. Hence, the appointment of Statutory Auditors shall continue to be valid till the conclusion of the 5 consecutive Annual General Meetings and no ratification of appointment of Statutory Auditor is required at the ensuing AGM.

The Auditors have confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder and a certificate to the effect that their appointment/re-appointment shall be in accordance with the prescribed conditions and they are not disqualified under the act and guidelines issued by IRDAI.

#### • Auditors Report

The Audit Report from the Joint Statutory Auditors does not contain any qualification, reservation, adverse remark or disclaimer.

#### Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed M/s Deep Shukla & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the financial year ended on 31st March, 2019 is annexed as **Annexure IV** to the report.

#### Secretarial Audit Observation

As per the provisions of Sections 177 of the Companies Act, 2013, read with IRDA's Corporate Governance Guidelines for Insurance Companies (Applicable from 1 April 2016) the composition of audit committee shall have majority of Independent Directors.

#### Boards Response to the Secretarial Auditors Comments

As explained by the management in pursuant to the Shareholder's Agreement entered by the Company representation right is to be given to Shareholders to be member of the said Audit Committee by virtue of which the composition of Independent Director's has been restricted to equal number of nominee Directors.

#### Corporate Governance Compliance Reporting & Other Disclosures

IRDAI has issued comprehensive guidelines on Corporate Governance for adoption of the Insurance Companies. The objective of these guidelines is to ensure that the structure, responsibilities and functions of the Board of Directors and

senior management of the Company are fully recognized about the expectations of all stakeholders as well as those of the Regulator.

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 FY 2018-19 confirmed compliance with IRDAI's Corporate Governance guidelines.

Your Company is committed to achieve the highest standard of Corporate Governance through transparency and accountability. A report on the Corporate Governance framework within the Company, with required certification as required under the IRDAI Regulations, is enclosed hereto at **Annexure V** and forms part of this Report.

Further as a good corporate governance measure, the Company has well adopted the principles covered in Secretarial standards issued by ICSI with respect to the Meetings of Board of Directors (SS-1) and General Meetings (SS-2).

#### 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.

#### Vigil Mechanism / Whistle Blower Policy

In order to up hold the highest standards of ethical behavior, the Company encourages Employees and Business Associates to report unethical Business Practices at workplace and eliminate any malpractices in the system, Company has put up in place a Whistle Blower Policy and Framework. More details are provided in the Corporate Governance Report, which is attached as part of this Annual Report.

#### Awards and Accolades

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. The awards reaffirm the passion and zeal of the Company to collectively work towards the 'Vision' of the Company by winning the confidence of the customer through superior value and constantly enhancing the same

- The “Smart Insurer in the Non-Life Insurance-Compact of 2018” -The Economic Times Insurance Awards & Annual Summit 2018.
- Certificate of Participation in Krishi Darshan Expo October 2018)- NRFMT & TI, HISM Haryana
- Awarded for Enhancing Superior Value to Customers through Customer Service Qualified under Top Insurance Projects in India-Skoch Order of Merit of the year 2018
- Awarded for Extending Insurance Benefits to Rural India Qualified under Top Insurance Projects in India-Skoch Order of Merit of the year 2018
- Awarded for Complete HealthCare Insurance Policy Qualified under Top Insurance Projects in India-Skoch Order of Merit of the year 2018

#### 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/-**

**Place:** Mumbai  
**Date:** 23/07/2019

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



## ANNEXURE I

### Disclosure of Remuneration of 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)
Rajiv Kumar	Managing Director & CEO	M.Com, Post Graduate advance Diploma in Business Administration, PGDM-Human Resource Management and International Business & Marketing, AIII	46	27	01-11-2007	11,850,000	Sr. General Manager in USGI	-
Vikas Garg	Appointed Actuary	B.Sc (PCM), MBA-Finance, M.Sc-Actuarial Science, Fellow-IAI, Actuarial Science	36	9.5	17-07-2018	1,05,82,636	Liberty GIC Ltd	-
Bisheshwari Singh	Chief Marketing Officer	B.Com, Diploma in Accountancy, CIMA, FIII	50	27	08-09-2008	56,22,474	IFFCO Tokio GIC LTD	-
Nirmal Bhattacharya	Chief-Underwriter	M.A. (Business Economics), PGDPM	58	34	01-09-2015	41,82,112	Magma HDI GIC Ltd	-
Tanmaya Kumar Panda	Head-Human Resources	B.Com, MPM & LW, CAIIB, AIII	51	26.5	01-01-2015	40,05,595	NPCI	-
Ravindra Deshpande	Head-Information Technology	B.Sc, Diploma in MKT.Mgt., MBA	54	31	18-10-2012	37,97,106	Bhansali Engineering Polymers Ltd	-
Sanjay Makwana	Chief Financial officer	FCA	40	13.5	30-12-2017	35,65,445	BOI AXA Investment Managers Pvt. Ltd.	-
Hareshwar Karekar	Chief Investment Officer	PGDBA(Fin), LLB	45	19	29-07-2016	34,98,441	L&T GIC Ltd	-
V.V.Vendhen	Head-Bancassurance	M.Com, FIII	57	31.6	05-12-2007	34,80,998	TATA AIG GIC Ltd	-
Arun Singh Bhaduria	Head-Motor	B.Sc., PGD (Sales & MKT), FIII	56	33	6-Dec-2013	29,44,446	Bajaj Allianz G.I.C Ltd	-

**Note:-** All the employees stated above are on permanent basis and none of them are relative of any director or manager of the company.

## ANNEXURE II

### FORM NO. MGT – 9

#### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2019

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

#### I. Registration and Other Details

i) CIN	U66010MH2007PLC166770
ii) Registration Date	05-01-07
iii) Name of the Company	Universal Sampo General Insurance Company Limited
iv) Category/Sub-category of the Company	Company Limited by Share/ Non-Government Company
v) "Address of the Registered office & 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.universalsampo.com">http://www.universalsampo.com</a>
vi) Whether listed company	No
vii) Name, Address & contact details of the Registrar & 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 & 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

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Allahabad Bank Allahabad Bank Head Office, 2, N. S. Road, Kolkata -700 001	-	Associate	28.52	2(6)
2	Sampo Japan Nipponkoa Insurance Inc Head Office 26-1, Nishi-Shinjuku, 1-chome, Shinjuku-ku, Tokyo-Japan, 160-8338	-	Associate	34.61	2(6)

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				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. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	4,545,455	35,000,000	39,545,455	10.74	47,147,727	0	47,147,727	12.81	2.07
d) Bank/FI	223,999,996	4	224,000,000	60.84	193,590,909	1	193,590,910	52.58	-8.26

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	
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>228,545,451</b>	<b>35,000,004</b>	<b>263,545,455</b>	<b>71.58</b>	<b>240,738,636</b>	<b>1</b>	<b>240,738,637</b>	<b>65.39</b>	<b>-6.19</b>
<b>(2) Foreign</b>									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	13,636,365	91,000,000	104,636,365	28.42	127,443,183	0	127,443,183	34.61	6.19
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>13,636,365</b>	<b>91,000,000</b>	<b>104,636,365</b>	<b>28.42</b>	<b>127,443,183</b>	<b>0</b>	<b>127,443,183</b>	<b>34.61</b>	<b>6.19</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>242,181,816</b>	<b>126,000,004</b>	<b>368,181,820</b>	<b>100.00</b>	<b>368,181,819</b>	<b>1</b>	<b>368,181,820</b>	<b>100.00</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Fl	-	-	-	-	-	-	-	-	-
c) Cenntal govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
"h) Foreign Venture Capital Funds"	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Non Institutions</b>									
<b>a) Bodies corporates</b>	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	-	-	-	-	-	-	-	-



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	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>242,181,816</b>	<b>126,000,004</b>	<b>368,181,820</b>	<b>100.00</b>	<b>368,181,819</b>	<b>1</b>	<b>368,181,820</b>	<b>100.00</b>	<b>0.00</b>

(ii) Shareholding of Promoters

SI No.	Shareholders 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	Mr. Mohit Burman (Partner Dabur Investment Corporation )	39,545,455	10.74	0	47,147,727	12.81	0	2.07
2	Sompo Japan Nipponkoa Insurance Inc.	104,636,365	28.42	0	127,443,183	34.61	0	6.19
3	Ms. Geeta Shetti (Nominee Shareholder of Indian Overseas Bank)	1	0	0	0	0	0	0
4	Radha Venkatakrishnan (Nominee Shareholder of Indian Overseas Bank)	0	0	0	1	0	0	0
5	Mr. Prakash Chandra Sharma (Nominee of Allahabad Bank)	1	0	0	1	0	0	0
6	Mr. Sanjay Aggarwal (Nominee of Allahabad Bank)	1	0	0	1	0	0	0
7	Mr. Shanti Lal Jain (Nominee of Allahabad Bank)	1	0	0	0	0	0	0
8	Mr. Avaya Kumar Mohapatra (Nominee of Allahabad Bank)	0	0	0	1	0	0	0
9	The Karnataka Bank Ltd	52,500,000	14.26	0	22,090,910	6.00	0	-8.26
10	Allahabad Bank	104,999,997	28.52	0	104,999,997	28.52	0	0.00
11	Indian Overseas Bank	66,499,999	18.06	0	66,499,999	18.06	0	0.00
	<b>Total</b>	<b>368,181,820</b>	<b>100</b>	<b>0</b>	<b>368,181,820</b>	<b>100</b>	<b>0</b>	<b>0</b>

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

SI No		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mr. Mohit Burman (Partner Dabur Investment Corporation)				
	At the beginning of the year	39,545,455	10.74	39,545,455	10.74
	Add: On 28th January, 2019 shares were transferred from Karnataka Bank Ltd	7,602,272	2.07	47,147,727	12.81
	At the end of the year	47,147,727	12.81	47,147,727	12.81
2	Sompo Japan Nipponkoa Insurance Inc.				
	At the beginning of the year	104,636,365	28.42	104,636,365	28.42
	Add: On 17th December, 2018 shares were transferred from Karnataka Bank Ltd	22,806,818	6.19	127,443,183	34.61
	At the end of the year	127,443,183	34.61	127,443,183	34.61
3	The Karnataka Bank Ltd				
	At the beginning of the year	52,500,000	14.26	52,500,000	14.26
	Less: On 17th December, 2018 and 28th January, 2019 shares were transferred to Sompo Japan Nipponkoa Insurance Inc and Dabur Investment Corporation	30,409,090	8.26	22,090,910	6.00
	At the end of the year	22,090,910	6.00	22,090,910	6.00

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

SI. No	For Each of the Top 10 Shareholders	Shareholding at the end 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			
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year (or on the date of separation, if separated during the year)				

**(v) Shareholding of Directors & KMP**

SI. No	For Each of the Directors & KMP	Shareholding at the end 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			
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year				

## V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Additions				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

## VI. Remuneration Of Directors And Key Managerial Personnel

### A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No.	Particulars of Remuneration	Name of the MD	Total Amount
		Mr. Rajiv Kumar (MD & CEO)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	6,362,500	6,362,500
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
	• Profit Link Remuneration	2,500,000	2,500,000
	• Provident Fund	450,000	450,000
	• Directors Sitting fees	1,850,000	1,850,000
	• NPS	375,000	375,000
	• LTA	312,500	312,500
	<b>Total (A)</b>	<b>11,850,000</b>	<b>11,850,000</b>
	Ceiling as per the Act		

### 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. Ram Niwas Jain	1,300,000	0	0	1,300,000
	Mr. Sandip Ghose	1,400,000	0	0	1,400,000
	Dr. Ram Nath	550,000	0	0	550,000
	<b>Total B (1)</b>				<b>3,250,000</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>				
	Mr. O. N. Singh	2,400,000	0	9,000,000	11,400,000
	Mr. Keita Hashiba	250,000	0	0	250,000
	Mr. N. K. Sahoo	300,000	0	0	300,000
	Ms. Radha Venkatakrishnan	250,000	0	0	250,000
	Mr. Mohit Burman	300,000		0	300,000
	Mr. P. Jayarama Bhat	400,000	0	0	400,000
	Mr. Kuniaki Takahashi	1,950,000	0	0	1,950,000
	Mr. Yasuhiro Sasanuma	250,000	0	0	250,000
	Mr. Daniel Neo	350,000	0	0	350,000
	Mr. Yuji Kawauchi	150,000	0	0	150,000
	<b>Total B (2)</b>				<b>15,600,000</b>
	<b>Total (B)=(1+2)</b>				<b>18,850,000</b>
	<b>Total Managerial Remuneration (A +B)</b>				<b>30,700,000</b>
	Overall Ceiling as per the act				

**C. Remuneration To Key Managerial Personnel Other Than Md/Manager/Wtd**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	Chief Financial Officer	Other KMPs	Total
		Chetna Vasani	Sanjay Makwana		
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1,147,077	3,244,157	35,778,875	40,170,109
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	as % of profit				
	others, specify				
5	• Others, please specify				
	• Provident Fund	43,546	127,627	1,154,966	1,326,139
	• LTA	30,239	88,630	851,629	970,498
	• NPS		105,031	588,639	693,670
	<b>Total</b>	<b>1,220,862</b>	<b>3,565,445</b>	<b>38,374,109</b>	<b>43,160,416</b>

**Vil. 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			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					

## ANNEXURE III

### 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 company being corporate citizen has undertaken the Corporate Social responsibilities with commitment and spend Rs. 100.77 Lacs in the financial year 2018-19.

During the year under review, the Company continued the Skill Development program of Unemployed Youth where unemployed youth were selected and necessary trainings were imparted. The direct expenses of Rs. 13.76 lacs have been incurred in this program.

Other programs undertaken were promoting education to girl/women by contributing Rs. 25 lacs to Bharatiya Shiksha Samiti which is an educational institution for development of infrastructural facilities of Saraswati Balika Vidya Mandir. Further, Company has made contribution of Rs. 2.5 lacs to YUVA Unstoppable, India's premier youth movement who aims to create friendly learning environment of Government Schools by providing infrastructural facilities like sanitation, drinking & dish wash area and bringing digitization for the children. The Company has also made a contribution of Rs. 55 lacs to Tatpadam Upavan for promoting cultural heritage of India and development of traditional art and handicrafts and around Rs. 4 lacs were contributed to Trax Sports society and Rs. 0.50 lacs were contributed to Agewell Foundation for welfare of senior citizens.

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

- b. **The composition of the CSR Committee as on 3rd May, 2019**

- Mr. O. N. Singh - Chairman
- Mr. Ram Niwas Jain
- Mr. Hirokazu Yokomizo

During the year under review, the Committee meet thrice on 19/07/2018, 11/03/2019 and 27/03/2019.

- c. **Average Net Profits of the Company for last three financial years: 1,73,58,78,310/-**

Particulars	Profits / (Losses) Before Taxes (Amount in Rs.)
FY 2017-18	4,29,22,96,035
FY 2016-17	49,93,98,395
FY 2015-16	41,59,40,499
Average Profit for the 3 immediate preceding financial years	1,73,58,78,310
Minimum Amount to be Spend on CSR Activities during the FY 2018-19 as per Companies Act, 2013	3,47,17,566

- d. **Minimum amount on account of CSR that is required to be spend: Rs. 3,47,17,566/-**

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

- Total amount to be spent for the FY: Rs. 3,47,17,566/-
- Amount unspent, if any: 2,46,41,066/-
- Manner in which the amount spent during the FY 2018-19 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 out-lay (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
a. Development of the economical and socially deprived class	To Help Senior Citizen and needy person	Lajpat Nagar II New Delhi	50,000	50,000	50,000	Direct
b. Road Safety awareness and reduce road crash mortality rate	Road Safety awareness	Maharashtra Mumbai	4,00,000	4,00,000	4,00,000	Direct
c. Promoting Education to girls / women	Education	Lucknow	25,00,000	25,00,000	25,00,000	Direct
d. Promoting Education and employment enhancing vocational skill and livelihood enhancement	Education and employment	Maharashtra Mumbai	2,50,000	2,50,000	2,50,000	Direct
e. Protection and development of art and culture of India.	Development of art and culture of India.	Nathdwara Rajasthan	55,00,000	55,00,000	55,00,000	Direct



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 out-lay (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
f. Skill Development Program for unem ployed youth	Liveli-hood	Mahar-ash-ra-Mum-bai, Uttar Pradesh- Luc-know& Varanasi, Delhi-Gurgaon & Noida, West Bengal – Kolkata, Haryana- Punjab, Gujarat –Ah-medabad	13,76,500	13,76,500	13,76,500	Direct
<b>Total</b>				<b>1,00,76,500</b>		

- 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 - During the year under review, the Company, while continuing to support its ongoing projects, has not come across with new CSR projects or NGO's which will help in the development of the weaker sections of society. Company puts its all efforts to identify and is in continuous process to undertake new CSR Projects as an opportunity to serve the society.

- 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/-	sd/-
<b>Ram Niwas Jain</b>	<b>O. N. Singh</b>
(Independent Director)	(Chairman of CSR Committee)
DIN No: 00671720	DIN No: 00182616

## ANNEXURE IV

### SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2019

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

To,

The Members,

Universal Sompo General Insurance Company Limited  
Unit No. 401, 4th Floor, Sangam Complex,  
127 Andheri Kurla Road, Andheri (East),  
Mumbai - 400059, Maharashtra, India.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 ('Audit Period') complied with the statutory provisions listed hereunder, subject to specified observation mentioned below, however, the Company has proper adequate Board-process 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 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; (Not Applicable to the Company)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent applicable;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, however provisions related to Overseas Direct Investment and External Commercial Borrowings were not applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable

to the Company)

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not Applicable to the Company)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable to the Company);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and amendments thereof; (Not Applicable to the Company);
  - (vi) Other laws applicable specifically to the Company, namely:
    - (a) The Company being in General Insurance business (other than Life Insurance), the special acts as applicable to the company are:
      - The Insurance Act, 1938 as amended;
      - The General Insurance Business (Nationalisation) Act, 1972 as amended;
      - The Insurance Regulatory and Development Authority of India Act, 1999 as amended; and Rules, Regulations, Circulars, Guidelines, instructions, etc. issued by IRDA;
- We have also examined compliance with the applicable clauses of the following:
- Secretarial Standards issued by The Institute of Company Secretaries of India;
- During the period under review, Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards,

etc. mentioned above, subject to our following observations:-

- As per the provisions of Sections 177 of the Companies Act, 2013, read with IRDA's Corporate Governance Guidelines for Insurance Companies (Applicable from 1 April 2016) the composition of audit committee shall have majority of Independent Directors.
- However, as per an explanation provided by the management, in pursuant to Shareholder's Agreement entered with the Company, representation right is to be given to Shareholders to be a member of said audit committee, by virtue of which composition of Independent Directors has been restricted to equal number of nominee Directors.

**We further report that:**

- The Board of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors except majority of Independent Directors as required for composition of audit committee.
- Majority decision is carried through and there was no instance of any director expressing any dissenting view.

- There are adequate systems and processes in the Company which commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards.

**For: Deep Shukla & Associates**  
**Company Secretaries**

Sd/-

Deep Shukla

{Proprietor}

FCS: 5652,

CP NO: 5364

**Place:** Mumbai

**Date:** 18/07/2019



## ANNEXURE V

### CORPORATE GOVERNANCE REPORT

#### Introduction:

Corporate Governance is about promoting the highest standards of integrity, transparency and accountability while maximizing the shareholders' value and promoting the interests of other stakeholders.

Corporate Governance for Insurance Companies was introduced in August 2009 by the Insurance Regulatory and Development Authority of India (IRDAI) and came into force from April 1, 2010. The same was subsequently amended by IRDAI in May 2016 and applicable from 2016-17 onwards.

#### Corporate Governance Philosophy:

Corporate Governance is a prerequisite to make fair and responsible corporate decisions that properly reflect the interests of all stakeholders. To realise its Corporate Governance Philosophy, the Company aims at achieving sustained growth and increase corporate value.

The Company believes in ethical management system and corporate culture and is striving to internalize a principled system which enables the Board of Directors to examine issues pertaining to morality and ethicality stemming from the operation of the Company and decision-making directives.

The Board of Directors who are at the helm of the Company play a crucial role in corporate governance by supervising executive management and makes strategic decisions for the company

#### Board of Directors

The Board has a mix of Executive, Non-Executive and Independent Directors to maintain professionalism and Independence of Directors. The Board comprises of competent and qualified Directors to drive the strategies in a manner that would sustain growth of the Company and protect the interest of various stakeholders in General

and Policyholders in particular. The Board comprises of Directors having expertise in Insurance, Banking, Finance, Accountancy, Economics, Law, Human Resources, etc.

The Composition of Board for the FY 2018-19 comprised of 14 Directors, which includes 3 Independent Directors, Managing Director & CEO, who is Executive Member of the Board of Directors and 2 Alternate Directors. All other Directors, including Chairman, are Non-Executive Directors. The Company keeps the roles of the CEO and the Chairman separate.

Mr. Daniel Neo, nominee of Sampo Japan Nipponkoa Insurance Inc. was appointed as Additional Director (Nominee Non-Executive) w.e.f 12/03/2019. Mr. CH. S.S. Mallikarjuna Rao, nominee of Allahabad Bank was appointed as Additional Director (Nominee Non-Executive) w.e.f 03/05/2019 and Mr. Hirokazu Yokomizo, nominee of Sampo Japan Nipponkoa Insurance Inc. was appointed as Additional Director (Nominee Non-Executive) w.e.f 04/05/2019. All of whom shall hold office upto ensuing Annual General Meeting.

Mr. Aditya Tibrewala was appointed as Alternate Director to Mr. Sasanuma and Mr. Kuniaki Takahashi was appointed as Alternate Director to Mr. Daniel Neo w.e.f 04/05/2019.

Mr. D. Palanisamy Nominee of Indian Overseas Bank was appointed as Additional Director (Nominee Non-Executive) w.e.f. 23/07/2019 and Mr. Sanjay Aggarwal, nominee of Allahabad Bank was appointed as Additional Director (Nominee Non-Executive) w.e.f. 23/07/2019 both of whom shall hold office upto ensuing Annual General Meeting.

The Company is Indian Owned and Controlled and is in compliance with the Guidelines on 'Indian Owned and Controlled' as stipulated by IRDAI.

Detail Profiles of the Board of Directors as on 31/03/2019:

SrNo	Name of Directors	Status of directorship held	Qualification	Area of Specialization	No. of Directorship held in other Companies	Chairman/ Member of the Committees of the Board of Directors of other companies in which he is a Director
1.	Mr. O. N. Singh	Non-Executive Chairman	B. Com (Hons); L.L.B; F.C.A	Banking and Insurance	2	Nil
2.	Mr. Rajiv Kumar*	Managing Director & Chief Executive Officer	M.Com, Post Graduate advance Diploma in Business Administration, PGDM-Human Resource Management, PGDM- International Business and Marketing, A.I.I.I	Insurance	Nil	Nil
3.	Mr. N. K. Sahoo**	Nominee Director	B.Sc (Agri); CAIIB	Banking	1	Member – 10 Committees

SrNo	Name of Directors	Status of directorship held	Qualification	Area of Specialization	No. of Directorship held in other Companies	Chairman/ Member of the Committees of the Board of Directors of other companies in which he is a Director
4.	Mr. Mohit Burman	Non-Executive Director	B.A. (Business Administration)- Economics; MA; MBA(Finance)	Insurance	15 ( 3 public companies)	Member –3 Committees
5.	Ms. Radha Venkatakrishnan ***	Nominee Director	Chartered Accountant	Banking	Nil	Nil
6.	Mr. P. Jayarama Bhat	Nominee Director	Post Graduate in Chemistry with First Rank with University of Mysore and CAIIB	Banking	1	Chairman - 3 Committees. Member - 3 Committees.
7.	Mr. Yuji Kawauchi**	Nominee Director	Bachelor of Law Faculty from Tokyo Metropolitan University and CPCU	Insurance	Nil	Nil
8	Mr. Kuniaki Bumpei Takahashi	Nominee Director	Bachelor of Economics from Keio University	Insurance	Nil	Nil
9.	Mr. Ram Niwas Jain	Independent Director	BE (Mechanical)	Banking	3	Member - 2 Committees.
10.	Mr. Sandip Ghose	Independent Director	M.A.	Finance	3	Nil
11.	Mr. Yasuhiro Michiaki Sasanuma^^	Nominee Director	Bachelor of Economics	Insurance	Nil	Nil
12.	Mr. Aaditya Tibrewala ^^^#	Alternate Director to Mr. Yasuhiro Sasanuma	Master Degree in Actuarial Science, Fellow of Institute of Actuaries, UK & India	Insurance	Nil	Nil
13.	Mr. Daniel Neo^#	Alternate to Mr. Yuji Kawauchi	Master of Accountancy and Bachelor of Science in Business Administration from Truman State University, USA	Insurance	Nil	Nil
14.	Dr. Ram Nath^^^^	Independent Director	Bachelor in veterinary science and Associate Certification in Insurance	Insurance	Nil	Nil

^ Appointed as Alternate Director to Mr. Yuji Kawauchi on 11/05/2018. ^^Appointed on 10/05/2018. ^^^ Appointed as Alternate Director to Mr. Yasuhiro Sasanuma on 11/05/2018. ^^^^ Appointed on 10/05/2018.

#Mr. Daniel Neo appointed as Alternate Director to Mr. Yuji Kawauchi on 11/05/2018 further he vacated the office on 28/07/2018 and again appointed on 29/07/2018. Further, Mr. Yuji Kawauchi resigned as Non-executive Director w.e.f. 12/03/2019 therefore Mr. Daniel Neo Alternate Director to Mr. Yuji Kawauchi automatically ceases to be a director w.e.f. 12/03/2019 and Mr. Daniel Neo again appointed as Non-Executive Director w.e.f. 12/03/2019.

##Mr. Aditya Tibrewala as Alternate Director to Mr. Yasuhiro Sasanuma vacated the office on 28/07/2018, appointed on 29/07/2018, vacated office on 25/09/2018, appointed on 26/09/2018, vacated office on 15/11/2018, appointed on 16/11/2018, vacated office on 02/02/2019, appointed on 03/02/2019, vacated office on 11/03/2019, appointed on 12/03/2019.

\* Resigned on 03/05/2019 \*\*Resigned on 12/03/2019 \*\*\*Resigned on 23/07/2019

### Responsibility of the Board:

The primary responsibility of Board is to ensure Company's prosperity by collectively directing the Company's affairs, meeting the appropriate interests of its shareholders. The Board of Directors monitors' performance of organization and evaluate the achievement of the strategic and business plans and annual budget outcome. The Board ensures that Company has appropriate corporate governance structures in place including standards of ethical behaviour and promotes a culture of corporate and social responsibility.

### Role and Duties of Independent Directors:

The Independent Directors bring an independent judgment to bear on the Board's deliberation and objectivity in the Board's decision making process. The Independent Directors participate constructively and actively in the Committees of the Board in which they are members. They represent and safeguard the interest of all stakeholders. They keep themselves well informed about the Company and the external environment in which it operates

### Board Meeting:

The meetings of the Board of Directors are usually held at Mumbai. The Board meets at least once in a quarter to inter alia review the Company's quarterly performance and financial results, review the Business, consider Business Strategies and their implementation and also discusses control, and compliance matters. Meetings were held once every three months and the time gap between two successive Board meetings did not exceed four months.

In exceptional circumstances, additional meetings are organized, if necessary. In case of any matter requiring urgent approval, resolutions are circulated for approval of the Board and in case of any significant matter, a briefing conference is also arranged with the Directors.

The Board is provided, on a timely basis with requisite information and detailed agenda papers, together with necessary supporting papers, as required. The Board papers, agenda and other explanatory notes are circulated to the Directors in advance.

There were 6 (six) Board Meetings held during the year viz. 10/05/2018, 28/07/2018, 25/09/2018, 15/11/2018, 02/02/2019 and 11/03/2019.

The attendance record of the Directors is set out in the following table:

Sr No	Name of Directors	No. of Meetings attend/ entitled to attended
1.	Mr. O. N. Singh	6/6
2.	Mr. Rajiv Kumar	6/6
3.	Mr. Keita Hashiba*	1/1
4.	Mr. N. K. Sahoo**	3/6
5.	Mr. Mohit Burman	3/6

Sr No	Name of Directors	No. of Meetings attend/ entitled to attended
6.	Ms. Radha Venkatakrishnan	5/6
7.	Mr. P. Jayarama Bhat	5/6
8.	Mr. Yuji Kawauchi**	2/6
9.	Mr. Kuniaki Takahashi	6/6
10.	Mr. Yasuhiro Sasanuma^	5/5
11.	Mr. Ram Niwas Jain	6/6
12.	Mr. Sandip Ghose	6/6
13.	Dr. Ram Nath^	5/5
14.	Mr. Daniel Neo^^#	4/4
15.	Mr. Aditya Tibrewala^^^##	-

\*Resigned on 10/05/2018, \*\*Resigned on 12/03/2019, ^Appointed on 10/05/2018, ^^Appointed as Alternate Director to Mr. Yuji Kawauchi on 11/05/2018, ^^^ Appointed as Alternate Director to Mr. Yasuhiro Sasanuma on 11/05/2018.

#Mr. Daniel Neo appointed as Alternate Director to Mr. Yuji Kawauchi on 11/05/2018 further he vacated the office on 28/07/2018 and again appointed on 29/07/2018. Further, Mr. Yuji Kawauchi resigned as Non-executive Director w.e.f. 12/03/2019 therefore Mr. Daniel Neo Alternate Director to Mr. Yuji Kawauchi automatically ceases to be a director w.e.f. 12/03/2019 and Mr. Daniel Neo again appointed as Additional Non-Executive Director w.e.f. 12/03/2019.

##Mr. Aditya Tibrewala as Alternate Director to Mr. Yasuhiro Sasanuma vacated the office on 28/07/2018, appointed on 29/07/2018, vacated office on 25/09/2018, appointed on 26/09/2018, vacated office on 15/11/2018, appointed on 16/11/2018, vacated office on 02/02/2019, appointed on 03/02/2019, vacated office on 11/03/2019, appointed on 12/03/2019.

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

#### Resignation and Cessation

Mr. Rajiv Kumar, MD & CEO resigned w.e.f 03/05/2019.

Mr. Kuniaki Takahashi, nominee of Sampo Japan Nipponkoa Insurance Inc. ceased to be Director w.e.f 04/05/2019.

Ms. Radha Venkatakrishnan Nominee of Indian Overseas Bank resigned w.e.f 23/07/2019.

After the end of Financial Year, the constitution of Board again underwent a change as follows:

#### Additional Director

Mr. CH. S.S. Mallikarjuna Rao, nominee of Allahabad Bank was appointed as Additional Director (Nominee Non-Executive) w.e.f 03/05/2019 and Mr. Hirokazu Yokomizo, nominee of Sampo Japan Nipponkoa Insurance Inc. was appointed as Additional Director (Nominee Non-Executive)

w.e.f. 04/05/2019 .

Mr. D. Palanisamy, Nominee of Indian Overseas Bank was appointed as Additional Director (Nominee Non-Executive) w.e.f. 23/07/2019 and Mr. Sanjay Aggarwal, nominee of Allahabad Bank was appointed as Additional Director (Nominee Non-Executive) w.e.f 23/07/2019 both of whom shall hold office upto ensuing Annual General Meeting.

#### Alternate Director

Mr. Kuniaki Takahashi was appointed as an Alternate Director to Mr. Daniel Neo w.e.f 04/05/2019. Mr. Aditya Tibrewala ceased to be Alternate Director to Mr. Yasuhiro Sasanuma due to his return to India w.e.f 03/05/2019 and was again appointed as an Alternate Director to Mr. Yasuhiro Sasanuma w.e.f. 04/05/2019.

#### Board Committees ("the Committees")

The Board has constituted following Committees:

- (i) Audit Committee
- (ii) Investment Committee
- (iii) Policyholder Protection Committee
- (iv) Risk Management Committee
- (v) Nomination and Remuneration Committee
- (vi) Corporate Social Responsibility Committee

In addition to above, the Board has also constituted Reinsurance Committee, Committee of Directors and Share Allotment Committee comprising Non-executive Director, Whole-time Directors and Executives of the Company. The terms of reference of the Committees of the Board are determined by the Board from time to time. Minutes of the Committee Meetings are placed before the Board for its information.

The Chairman of the respective Committees briefs the Board on deliberations taken place at the Committee Meetings in relation to important discussions, notings and approvals. The role and composition of these Committees, alongwith the number of meetings held during F.Y. 2018-19 and the attendance of the members are provided below:

#### Audit Committee

The Audit Committee of the Company comprised of six members – three Independent Directors and three Non – Executive Directors. The Chairman of the Committee is an Independent Director.

The Audit Committee oversees internal audit functions like review the scope of internal audit procedures and approves the Annual internal Audit Plan, ensures that adequately information regarding the risks and implications of internal audit findings are brought to the notice of the Board and appropriate directions communicate with senior management regarding status, progress, and new developments, as well as problematic areas, approves appointment of the Head Internal Auditor, etc. External Audit functions like review the financial statements including the auditors' report and recommend to the Board, approves

appointment of the Joint Statutory Auditor and fix their remuneration, etc and other functions as per the Companies Act, 2013 and IRDAI Act, Rules and Guidelines.

During the year under review, the Audit Committee met five times viz. 09/05/2018, 19/07/2018, 14/11/2018, 01/02/2019 and 11/03/2019. The Committee also met on 03/05/2019, for review of the audited financial statements for the year ended 31st March, 2019 and recommended the same for the approval of Board.

The details of the attendance of the Audit Committee members during the Financial Year 2018-19 are listed below:

Sr. No.	Name of the Member	No. of meetings attended / entitled to attend
1.	Mr. O. N. Singh	5/5
2.	Mr. Ram Niwas Jain	5/5
3.	Mr. Mohit Burman	1/5
4.	Mr. Yuji Kawauchi	1/5
5.	Mr. Sandip Ghose	5/5
6.	Dr. Ram Nath*	3/3
7.	Mr. Daniel Neo	3/3

\*Inducted in the Committee w.e.f. 28/07/2018

The Audit Committee was reconstituted by Board at their meeting held on 03/05/2019 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 Director
3.	Mr. Daniel Neo	Member	Additional Director
4.	Mr. Mohit Burman	Member	Non-Executive Director
5.	Mr. Sandip Ghose	Member	Independent Director
6.	Dr. Ram Nath	Member	Independent Director

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

#### Investment Committee

The Investment Committee of the Company comprised of nine members- three Non-executive Directors, one Independent Director and the Chief Executive Officer, the Chief of Finance, Chief of Investment, the Appointed Actuary and the Chief of Risk Management.

The composition of the Committee is as per the requirement of Corporate Governance Guidelines of IRDAI.

The Committee undertakes the responsibilities of reviewing and recommending the Investment Policy to the Board and overviews its implementation and operations, reports to the Board on the performance of the investment



portfolio on quarterly basis, independently review the investment decisions, gives suitable direction and fulfils other responsibilities as cast on it pursuant to the IRDAI (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. 09/05/2018, 19/07/2018, 14/11/2018 and 01/02/2019.

The details of the attendance of the Investment Committee members during the Financial Year 2018-19 are listed below:

Sr. No.	Name of the Member	No. of meetings attended / entitled to attend
1.	Mr. O. N. Singh	4/4
2.	Mr. Rajiv Kumar	4/4
3.	Mr. Kuniaki Takahashi	4/4
4.	Mr. Ram Niwas Jain*	1/1
5.	Mr. P. Jayarama Bhat	3/4
6.	Mr. Sandip Ghose <sup>^</sup>	3/3

\*Upto 10/05/2018, <sup>^</sup>Inducted in the Committee from 10/05/2018.

The Investment Committee was reconstituted by Board at their meeting held on 03/05/2019 as follows:

Sr. No.	Name of the Member	Category	Designation
1.	Mr. O. N. Singh	Chairman	Non-Executive Director
2.	Mr. Rajiv Kumar*	Member	Managing Director & Chief Executive Officer
3.	Mr. Hirokazu Yokomizo	Member	Additional Director
4.	Mr. Sandip Ghose	Member	Independent Director
5.	Mr. P. Jayarama Bhat	Member	Non-Executive Director

The Chief Financial Officer (CFO), Chief Investment Officer (CIO), Chief of Risk Management and Appointed Actuary are permanent invitees/ members of this Committee.

\* Resigned on 03/05/2019

#### 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, suggests mechanism for speedy redressal of complaints/grievances of policyholders and give suitable direction and fulfils other responsibilities as cast on pursuant to Corporate Governance Guidelines of IRDAI as amended from time to time.

During the year under review, the Committee met four times viz. 09/05/2018, 19/07/2018, 14/11/2018 and 01/02/2019.

The details of the attendance of the Policyholders Protection Committee members during the Financial Year 2018-19 are listed below:

Sr. No.	Name of the Member	No. of meetings attended/ entitled to attend
1.	Mr. O. N. Singh	4/4
2.	Mr. Rajiv Kumar	4/4
3.	Mr. Ram Niwas Jain <sup>^</sup>	3/3
4.	Mr. Keita Hashiba*	1/1
5.	Mr. Sandip Ghose	4/4
6.	Mr. Kuniaki Takahashi <sup>^</sup>	3/3

\*Upto 10/05/2018, <sup>^</sup>Inducted in the Committee from 10/05/2018

The Policyholders Protection Committee was reconstituted by Board at their meeting held on 03/05/2019 as follows:

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

The Chief Grievance Officer, Head Claims and Head Customer Service are permanent invitees/ members of this Committee.

\* Resigned on 03/05/2019

#### Risk Management Committee

The Committee reviews the Risk Management Status and Business Continuity and Fraud Monitoring framework, Discuss and consider best practices in risk management in the market and advise the respective functions, maintain an aggregated view on the risk profile of the Company for all categories of risk and Review the solvency position of the Company on a regular basis.

During the year under review, Committee met four times viz. on 09/05/2018, 19/07/2018, 14/11/2018 and 01/02/2019.

The details of the attendance of the Risk Management Committee members during the Financial Year 2018-19 are listed below:

Sr. No.	Name of the Member	No. of meetings attended/ entitled to attend
1.	Mr. O. N. Singh	4/4
2.	Mr. Rajiv Kumar	4/4
3.	Ms. Radha Venkatakrishnan	0/4
4.	Mr. Keita Hashiba*	1/1

Sr. No.	Name of the Member	No. of meetings attended/ entitled to attend
5.	Mr. Sandip Ghose	4/4
6.	Mr. Kuniaki Takahashi <sup>^</sup>	3/3

\*Upto 10/05/2018 <sup>^</sup>Inducted in the Committee from 10/05/2018.

The Risk Management Committee was reconstituted by Board at their meeting held on 03/05/2019 is as follows:

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

The Chief of Risk Management and the Appointed Actuary is permanent invitee to the meeting of this Committee.

\* Resigned on 03/05/2019 \*\*Resigned on 23/07/2019

#### Nomination and Remuneration Committee

The Committee scrutinizes the appointment of proposed Directors and KMP, determines remuneration and compensation packages of the Executives and Directors of the Company. Further, it also evaluates the Performance of Individual Directors and the Board based on the Performance Evaluation Policy of the Company.

During the year under review Nomination and Remuneration Committee met six times viz. on 09/05/2018, 27/06/2018, 19/07/2018, 14/11/2018, 02/02/2019 and 11/03/2019.

The details of the attendance of the Nomination and Remuneration Committee members during the Financial Year 2018-19 are listed below:

Sr. No.	Name of the Member	No. of meetings attended/ entitled to attend
1.	Mr. O. N. Singh	6/6
2.	Mr. Ram Niwas Jain	6/6
3.	Mr. Kuniaki Takahashi	6/6
4.	Dr. Ram Nath <sup>^</sup>	3/6
6.	Mr. N. K. Sahoo	3/6
7.	Mr. Sandip Ghose	5/6

<sup>^</sup>Inducted in the Committee from 28/07/2018.

The Nomination and Remuneration Committee was reconstituted by Board at their meeting held on 03/05/2019 is 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 Director
3.	Mr. Sandip Ghose	Member	Independent Director
4.	Mr. Hirokazu Yokomizo	Member	Additional Director
5.	Mr. CH. S.S. Mallikarjuna Rao	Member	Additional Director
6.	Mr. Ram Nath	Member	Independent Director

#### Corporate Social Responsibility Committee

The Committee reviews the amount spent on 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 III to the Boards Report.

During the year under review, the Corporate Social Responsibility Committee met thrice viz. on 19/07/2018, 11/03/2019 and 27/03/2019.

The details of the attendance of the Corporate Social Responsibility Committee members during the Financial Year 2018-19 are listed below:

Sr. No.	Name of the Member	No. of meetings entitled to attend/attended
1.	Mr. O. N. Singh	3/3
2.	Mr. Rajiv Kumar	3/3
3.	Mr. Ram Niwas Jain	3/3
4.	Mr. Kuniaki Takahashi <sup>^</sup>	3/3

<sup>^</sup>Inducted in the Committee from 10/05/2018.

The Corporate Social Responsibility Committee was reconstituted by Board at their meeting held on 03/05/2019 as follows:

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

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

\* Resigned on 03/05/2019.

## 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 thrice viz. on 25/04/2018, 01/02/2019 and 11/03/2019.

The details of the attendance of the Reinsurance Committee members during the Financial Year 2018-19 are listed below:

Sr. No.	Name of the Member	No. of meetings entitled to attend/attended
1.	Mr. O. N. Singh	3/3
2.	Mr. Rajiv Kumar	3/3
3.	Mr. Mohit Burman	2/3
4.	Mr. Kuniaki Takahashi	3/3
5.	Mr. Ram Niwas Jain <sup>^</sup>	2/3

<sup>^</sup>Inducted in the Committee on 10/05/2018.

The Reinsurance Committee was reconstituted by Board at their meeting held on 03/05/2019 as follows:

Sr. No.	Name of the Member	Category	Designation
1.	Mr. O. N. Singh	Chairman	Non-Executive Director
2.	Mr. Rajiv Kumar*	Member	Managing Director & Chief Executive Officer
3.	Mr. Mohit Burman	Member	Non-Executive Director
4.	Mr. Hirokazu Yokomizo	Member	Additional Director
5.	Mr. Ram Niwas Jain	Member	Independent Director

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

\* Resigned on 03/05/2019

### Share Allotment Committee

The Share Allotment Committee is responsible for allotment of Equity Shares, Debentures & other securities, approval of transfer or transmission of shares, issue of new Share Certificates and other responsibilities as approved by Board. During the year under review, no meeting was held of the Committee.

The Share Allotment Committee was reconstituted by Board at their meeting held on 03/05/2019 as follows:

Sr. No.	Name of the Member	Category	Designation
1.	Mr. O. N. Singh	Chairman	Non-Executive Director

Sr. No.	Name of the Member	Category	Designation
2.	Mr. CH. S.S. Mallikarjuna Rao	Member	Additional Director
3.	Mr. Sandip Ghose	Member	Independent Director
4.	Mr. Hirokazu Yokomizo	Member	Additional Director

### Committee of Directors

The Committee of Directors act as an effective organ of the Board it determined by the Board and it function under the overall supervision of Board.

During the year under review, the Committee of Directors met on twelve times viz, 24/04/2018, 07/05/2018, 21/06/2018, 18/07/2018, 09/08/2018, 21/09/2018, 29/10/2018, 13/11/2018, 26/12/2018, 21/01/2019, 08/03/19 and 27/03/2019.

The details of the attendance of the Committee of Directors during the Financial Year 2018-19 are listed below:

Sr. No.	Name of the Member	No. of meetings attended/ entitled to attend
1.	Mr. O. N. Singh	12/12
2.	Mr. Rajiv Kumar	12/12
3.	Ms. Radha Venkatakrishnan	0/12
4.	Mr. Keita Hashiba*	2/2
5.	Mr. Kuniaki Takahashi <sup>^</sup>	10/10

\*Upto 10/05/2018

<sup>^</sup> Inducted in the Committee on 10/05/2018.

The Committee of Directors was reconstituted by Board at their meeting held on 03/05/2019 as follows:

Sr. No.	Name of the Member	Category	Designation
1.	Mr. O. N. Singh	Chairman	Non-Executive Director
2.	Mr. Rajiv Kumar*	Member	Managing Director & Chief Executive Officer
3.	Mr. Sandip Ghose <sup>^</sup>	Member	Independent Director
4.	Ms. Radha Venkatakrishnan**	Member	Non-Executive Director
5.	Mr. Hirokazu Yokomizo	Member	Additional Director

\* Resigned on 03/05/2019 \*\* Resigned on 23/07/2019

<sup>^</sup>Inducted in the Committee on 03/05/2019

### Whistle Blower Policy and Framework

USGI encourages employees and business associates to bring to the management's notice concerns about suspected unethical behavior, malpractice, wrongful conduct, fraud, violation of the Company's Policies including Code of Ethics and Conduct, violation of law or questionable Accounting or Auditing matters by any employee/ director in the company

without fear of reprisal. The said Policy provides the employees with a channel for communicating any suspected instances/complaints and a platform for their resolution through proper governance mechanism.

#### Independent Director's Meeting

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

Independent Directors of the Company met separately without the presence of Executive Directors, Non-executive Directors and management personnel to discuss the framework for evaluation of Directors.

#### Evaluation Mechanism:

- The Nomination & Remuneration Committee evaluated the performance of the Non-Executive Directors based on their level of engagement, contribution, independence of judgement, initiative, number of Board meetings attended etc. and Executive Director based on their setting organization's strategy, managing Board Meetings and discussions, open channels of communication, reporting and monitoring etc.
- The outcome of the above performance evaluation submitted to the Board.
- Evaluation of Senior Management and KMP other than Managing Director/Whole Time Director done as per the performance appraisal system of the Company in force.

#### General Information:

#### Annual General Meetings

The details of the Annual General Meetings held in the last three years are given below:

Annual General Meeting	Day, Date	Time	Venue
9th Annual General Meeting	Friday, 23/09/2016	12.00 Noon	Mumbai
10th Annual General Meeting	Monday, 18/09/2017	11.30AM	Mumbai
11th Annual General Meeting	Tuesday, 25/09/2018	12.00 Noon	Mumbai

#### Means of Communication

The Company's website [www.universalsompo.com](http://www.universalsompo.com) serves as a key awareness platform for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on business segment and financial performance of the Company. The Company periodically release its financial performance on its website.

#### CERTIFICATION FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

I, Chetna Vasani, 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.

**Place:** Mumbai  
**Date:** 23/07/2019

Sd/-  
**Chetna Vasani**  
Company Secretary





We feel pleased and glad to inform all of you that, we have revised our existing product “IOB Health Care Plus Policy” to “IOB Health Care Plus Policy (Revision)” with a wide/higher range of Sum Insured available for our esteemed customers.

We have introduced Higher Slabs of Sum Insured under the policy i.e.,  
**INR 7,50,000 ,**  
**INR 10,00,000 ,**  
**INR 12,50,000 &**  
**INR 15,00,000.**

We, at **USGI** always endeavour to bring the best of Insurance products and services to our esteemed customers. In order to cater to the needs of the customers of Indian Overseas Bank, we have designed the “IOB Health Care Plus Policy (Revision)” in association with Indian Overseas Bank.

## KEY FEATURES

- ✓ Premium is charged on the basis of proposer's age
- ✓ Covers entire family under a single Sum Insured, while taking one policy
- ✓ Provides Hospitalization coverage which includes (In patient treatment/Organ donor/ Maternity benefit/ Pre & Post hospitalisation/day care Procedures/Cost of Health Check-up)
- ✓ Additional Benefits(Out of Pocket expense/Ambulance Charges/Funeral expenses)
- ✓ Add On available: Personal Accident Death cover
- ✓ Sum insured ranging from Rs. 50,000 to Rs 15,00,000
- ✓ Floater basis Sum Insured
- ✓ The Company would require submission of Medical Reports for ECG and Blood Sugar (Fasting+ PP) when the Insured Person is above 50 years for Sum Insured option of Rs. 12.50 Lacs and Rs. 15 Lacs. This requirement will only be for fresh Proposals or when the Sum Insured is enhanced at the time of renewal
- ✓ Offers one, two or three year's policy coverage period
- ✓ Lifelong renewability
- ✓ Long Term Discount available
- ✓ Cashless facility available at more than 4500 hospitals across India
- ✓ Income Tax benefits as per provision of Section 80D of Income Tax Act

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





**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/156/2019 | 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

## 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, 2019, the Management of the Company submits the following Report:

1. The company obtained regulatory approval to undertake General Insurance business on November 16, 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, 2019 have been duly paid.
3. We confirm that the shareholding pattern during the year ended March 31st, 2019 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, 2019 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, health, personal accident, workmen's compensation, liability, Aviation, Trade credit, 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 issued 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, 2019.
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 31, 2019 is ₹ 23,440 millions (Refer schedule 8 & 8A, previous year ₹ 21,502 millions). Income from investment operations for the year ended March 31st, 2019 is ₹ 1,706 millions (previous year ₹ 1,410 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 except investment in IL&FS securities of ₹ 445 millions (previous year ₹ Nil) 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, 2019, and of the operating profit of the Fire, Marine and Miscellaneous Insurance business and Profit and Loss Account for the year ended.
- 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 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 year ended March 31st, 2019.

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

Sd/-  
**O.N. Singh**  
Chairman  
DIN no.00182616

Sd/-  
**Ram Niwas Jain**  
Director  
DIN no.00671720

Sd/-  
**Rajiv Kumar**  
Managing Director & CEO  
DIN no.07633092

Sd/-  
**Sanjay Makwana**  
Chief Financial Officer  
Membership no. 120012

**Place:** Mumbai  
**Date:** May 03rd, 2019

Sd/-  
**Chetna Vasani**  
Company Secretary  
Membership no. A31992



UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

Annexure 1

DETAILS OF CLAIMS OUTSTANDING DURING THE PRECEDING FIVE YEARS

As at March 31st, 2019

As at March 31st, 2019																														₹ in Lakhs	
Period	Fire		Marine Cargo		Marine Others		Motor-OD		Motor-TP		Workmen's Compensation		Personal Accident		Health		Public/Product Liability		Engineering		Aviation		Trade Credit		Crop Claims		Others		Total		
	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	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	36	405	109	60	-	-	1,722	950	235	713	7	2	86	332	1,000	408	-	-	1	8	49	-	-	-	-	5	26,714	97	383	3,305	30,026
30 days to 6 months	59	3,209	15	198	-	-	653	1,477	1,084	3,667	1	11	7	41	56	33	30	5	3	15	-	-	-	-	-	-	-	90	434	1,998	9,089
6 months to 1 year	22	1,059	6	149	-	-	10	60	1,093	6,173	-	-	1	2	-	-	-	-	-	3	381	-	-	-	-	1	500	17	209	1,153	8,533
1 year to 5 years	17	2,626	1	0	-	-	37	414	3,579	18,252	9	74	3	2	2	1	-	-	-	9	144	-	-	-	-	-	-	107	731	3,764	22,245
5 years and above	5	27	-	-	-	-	-	-	938	3,856	-	-	-	-	-	-	-	-	-	2	7	-	-	-	-	-	-	34	128	979	4,018
Grand Total	139	7,325	131	407	-	-	2,422	2,902	6,929	32,661	17	86	97	376	1,058	443	30	6	25	597	-	-	-	-	6	27,214	345	1,896	11,199	73,911	

As at March 31st, 2018

As at March 31st, 2018																														(' in Lakhs)	
Period	Fire		Marine Cargo		Marine Others		Motor-OD		Motor-TP		Workmen's Compensation		Personal Accident		Health		Public/Product Liability		Engineering		Aviation		Trade Credit		Crop Claims		Others		Total		
	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	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	16	1,764	75	109	-	-	1,740	1,194	259	576	7	1	90	373	815	326	1	2	94	-	-	-	-	-	8	32,952	159	217	3,172	37,608	
30 days to 6 months	18	482	52	290	-	-	585	1,629	901	2,790	9	35	2	4	35	29	-	-	1	1	-	-	-	-	-	-	82	486	1,685	5,746	
6 months to 1 year	14	902	2	16	-	-	10	61	1,324	7,157	5	42	1	2	-	-	-	-	5	90	-	-	-	-	-	-	37	364	1,398	8,633	
1 year to 5 years	30	3,978	1	307	-	-	20	48	2,685	12,837	2	12	-	-	-	-	-	-	12	86	-	-	-	-	-	-	73	379	2,823	17,647	
5 years and above	8	134	-	-	-	-	-	-	-	573	2,556	-	-	-	-	-	-	-	2	13	-	-	-	-	-	-	28	99	611	2,802	
Grand Total	86	7,260	130	723	-	-	2,355	2,931	5,742	25,915	23	89	93	379	850	355	1	2	22	283	-	-	-	-	8	32,952	379	1,545	9,689	72,435	

As at March 31st, 2017

Period	Fire		Marine Cargo		Marine Others		Motor-TP		Motor-OD		Workmen's Compensation		Personal Accident		Health		Public/Product Liability		Engineering		Aviation		Trade Credit		Crop Claims		Others		Total	
	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	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
30 days to 6 months	109	4,361	76	664	-	-	484	586	857	4,415	8	24	16	103	202	137	1	2	20	94	-	-	-	-	1	44,866	107	590	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
<b>Grand Total</b>	<b>189</b>	<b>13,699</b>	<b>152</b>	<b>1,089</b>	<b>-</b>	<b>-</b>	<b>2,392</b>	<b>1,139</b>	<b>4,944</b>	<b>23,369</b>	<b>16</b>	<b>26</b>	<b>60</b>	<b>189</b>	<b>1,283</b>	<b>512</b>	<b>1</b>	<b>2</b>	<b>47</b>	<b>385</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>44,866</b>	<b>383</b>	<b>1,220</b>	<b>9,468</b>	<b>86,498</b>

## UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

## Annexure 1 (Continued)

## DETAILS OF CLAIMS OUTSTANDING DURING THE PRECEDING FIVE YEARS

As at March 31st, 2016

As at March 31st, 2016																														(` in Lakhs)	
Period	Fire		Marine Cargo		Marine Others		Motor-OD		Motor-TP		Workmen's Compensation		Personal Accident		Health		Public/Product Liability		Engineering		Aviation		Trade Credit		Crop Claims		Others		Total		
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	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	40	4,001	79	100	-	1,584	392	59	282	14	9	51	57	1,521	532	-	13	193	-	1	0	-	-	-	-	220	166	3,582	5,732		
30 days to 6 months	291	11,198	88	823	-	1,053	968	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			
Grand Total	376	17,675	174	1,363	-	2,639	1,398	5,129	24,251	30	17	133	147	2,340	794	-	74	883	-	5	152	-	-	-	587	1,596	11,487	48,276			

As at March 31st, 2015

As at March 31st, 2015																														₹ in Lakhs	
Period		Fire		Marine Cargo		Marine Others		Motor-OD		Motor-TP		Workmen's Compensation		Personal Accident		Health		Public/Product Liability		Engineering		Aviation		Trade Credit		Crop Claims		Others		Total	
		No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	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	962	55	154	-	-	1,316	191	98	269	27	2	43	26	2,449	721	2	1	7	57	-	-	-	-	-	-	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	-	-	-	-	1	2,500	238	558	2,437	17,097
6 months to 1 year		13	1,569	1	2	-	-	-	-	1,311	6,218	-	-	-	-	-	-	-	-	2	8	-	-	3	5	-	-	49	336	1,379	8,137
1 year to 5 years		24	3,611	2	304	-	-	-	-	3,380	14,142	-	-	-	-	-	-	-	-	4	459	-	-	-	-	-	-	145	792	3,555	19,307
5 years and above		3	127	-	-	-	-	-	-	14	67	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	12	21	206
Grand Total		174	15,055	84	493	-	-	2,041	435	5,625	25,208	47	9	95	79	2,891	848	2	1	29	799	-	-	3	5	1	2,500	670	1,935	11,662	47,367

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	2014-15		2015-16		2016-17		2017-18		2018-19	
	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	1,018	101	1,301	90	1,061	85	834	101	1,266	64
Marine Cargo	3,013	26	2,955	23	3,702	24	3,492	28	3,200	28
Marine Hull	-	-	2	51	-	-	2	135	2	44
Motor (Excl. TP)	36,748	35	50,220	32	71,656	27	80,338	26	108,058	23
Workmen Compensation	355	66	308	56	168	73	96	71	113	65
Personal Accident	695	62	858	61	1,263	57	1,745	47	1,983	38
Health	41,403	19	48,636	19	34,073	19	27,496	19	34,041	20
Public/Product Liability	1	30	11	42	4	12	8	62	4	63
Engineering	151	104	152	89	187	100	110	93	107	58
Aviation	-	-	-	-	-	-	-	-	-	-
Trade Credit	8	154	9	79	5	403	6	10	-	-
Miscellaneous	1,096	109	1,333	88	1,254	71	1,699	45	2,785	29
Rural	3,607	38	3,140	46	3,050	40	2,530	37	2,362	30
<b>Total</b>	<b>88,095</b>	<b>29</b>	<b>108,925</b>	<b>28</b>	<b>116,423</b>	<b>26</b>	<b>118,356</b>	<b>26</b>	<b>153,921</b>	<b>23</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. N. K. Sahoo	Allahabad Bank	Director	1,980.28
2	Ms. Radha Venkatakrishnan	Indian Overseas Bank	Director	1,660.62
3	Mr. P. Jayarama Bhat	The Karnataka Bank	Director	774.34
4	Mr. Yuji Kawauchi	Sompo Japan Nipponkoa Insurance Inc.	Director	4,830.25
	Mr. Kuniaki Bumpei Takahashi			
	Mr. Daniel Neo			
	Mr. Aditya Tibrewala			
	Mr. Keita Hashiba (Ceased on 10.05.2018)			
5	Mr. Mohit Burman	Dabur Investment Corporation	Director	64.40

#### Sitting Fees paid to Directors

(₹ in Lakhs)

Sr.No.	Name of the Director	Amount	Nature of payments
1	Mr. O. N. Singh	24.00	Director sitting Fee
2	Mr. Rajiv Kumar	18.50	Director sitting Fee
3	Mr. Keita Hashiba	2.50	Director sitting Fee
4	Mr. N. K. Sahoo	3.00	Director sitting Fee
5	Ms. Radha Venkatakrishnan	2.50	Director sitting Fee
6	Mr. Mohit Burman	3.00	Director sitting Fee
7	Mr. P. Jayarama Bhat	4.00	Director sitting Fee
8	Mr. Yuji Kawauchi	1.50	Director sitting Fee
9	Mr. Kuniaki Takahashi	19.50	Director sitting Fee
10	Mr. Ram Niwas Jain	13.00	Director sitting Fee
11	Mr. Sandip Ghose	14.00	Director sitting Fee
12	Mr. Yasuhiro Sasanuma	2.50	Director sitting Fee
13	Dr. Ram Nath	5.50	Director sitting Fee
14	Mr. Daniel Neo	3.50	Director sitting Fee



## INDEPENDENT AUDITOR'S REPORT

To

The Members of Universal Sampo General Insurance Company Limited

### Report on the Audit of Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Universal Sampo General Insurance Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Revenue Accounts, the Profit and Loss Account, the Receipts and Payments Account for the year then ended, the schedule annexed thereto and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements so prepared in accordance with the requirements of the Insurance Act, 1938 (the "Insurance Act") read with the Insurance Laws (Amendment) Act, 2015 (the "Insurance Laws (Amendment Act)"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDAI Financial Statements Regulations"), the orders/directions issued by the Insurance Regulatory and Development Authority of India ("IRDAI") in this behalf and the Companies Act, 2013 ("the Act"), to the extent applicable give the information required by the aforesaid respective Acts and regulations in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India and as applicable to insurance company,

- (i) in case of Balance sheet of the state of affairs of the Company as at 31st March, 2019,
- (ii) In case of Revenue Accounts, the 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 for the year ended on that date.

#### Basis for Opinion

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

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, Directors' Report (including its Annexures), Corporate Governance Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance 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 receipts 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.

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

Those Board of Directors are also responsible for overseeing the company’s financial reporting process.

#### Auditor’s Responsibilities for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements which have been prepared in accordance with the provisions 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 standards and the accounting principles generally accepted in India.

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the 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 3rd, 2019 certifying wherein 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 IRDAI 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 IRDAI 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, 2019 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.
  - (i) On the basis of written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2019 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (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 and Senior Citizen Welfare 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, 2019 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 V.K. Jindal & Co.**  
**Chartered Accountants**

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

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

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

**Place:** Mumbai  
**Date:** May 3rd, 2019



**ANNEXURE 'A'**  
**TO THE INDEPENDENT AUDITOR'S REPORT**  
**{Referred to in paragraph 2(j) under 'Report on Other Legal and Regulatory Requirements'**  
**section of our report of even date to the members of**  
**UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED**

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

We have audited the internal financial controls over financial reporting of **Universal Sompo General Insurance Company Limited** ("the Company") as of March 31st, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI")". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company, 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 Act, 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 of the Company.

**Meaning of Internal Financial Controls over Financial Reporting**

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. 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 and to the best of our information and according to the explanations given to us, 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, 2019, based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

For V.K. Jindal & Co.  
Chartered Accountants

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

For Rajendra K. Goel & Co.  
Chartered Accountants

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

**Place:** Mumbai

**Date:** May 3rd, 2019

## INDEPENDENT AUDITOR'S CERTIFICATE

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examinations of the books of account and other records maintained by the Universal Sompo General Insurance Company Limited for the year ended March 31st, 2019, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31st, 2019 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, 2019, 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 V.K. Jindal & Co.**  
**Chartered Accountants**

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

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

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

**Place:** Mumbai  
**Date:** May 3rd, 2019

## UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 134, dated November 16, 2007  
Balance Sheet as at March 31, 2019

		(₹ in 000's)	
Particulars	Schedule	At March 31, 2019	At March 31, 2018
<b>Sources of Funds</b>			
Share Capital	5	3,681,818	3,681,818
Reserves and Surplus	6	5,174,692	3,819,291
Fair Value Change Account			
- Shareholders		3,189	(5,672)
- Policyholders		7,088	(14,229)
Borrowings	7	-	-
Deferred Tax Liabilities (Net) (Refer note no. 18)		6,764	-
<b>Total</b>		<b>8,873,551</b>	<b>7,481,208</b>
<b>Application of Funds</b>			
<b>Investments</b>			
- Shareholders	8	3,951,970	6,128,614
- Policyholders	8A	19,487,947	15,373,236
Loans	9	-	-
Fixed Assets	10	398,589	447,137
Deferred Tax Asset (Net) (Refer note no. 18)		-	10,525
<b>Current Assets</b>			
Cash and Bank Balances	11	599,918	1,374,170
Advances and Other Assets	12	10,121,652	8,038,528
<b>Sub-Total (A)</b>		<b>10,721,570</b>	<b>9,412,698</b>
Current Liabilities	13	19,388,123	17,990,230
Provisions	14	6,298,402	5,900,772
<b>Sub-Total (B)</b>		<b>25,686,525</b>	<b>23,891,002</b>
<b>Net Current Assets (C) = (A - B)</b>		<b>(14,964,955)</b>	<b>(14,478,304)</b>
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		-	-
<b>Total</b>		<b>8,873,551</b>	<b>7,481,208</b>

Significant accounting policies and notes to accounts 16

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

As per our attached report of even date.

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

Chartered Accountants

Sd/-

**V. K. Jindal**

Partner

Membership No. 070666

Firm Reg. No. 001468C

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

Chartered Accountants

Sd/-

**R. K. Goel**

Partner

Membership No. 006154

Firm Reg. No. 001457N

**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/-

**Ram Niwas Jain**

Director

DIN no.00671720

Sd/-

**Sanjay Makwana**

Chief Financial Officer

Membership no. 120012

Sd/-

**Chetna Vasani**

Company Secretary

Membership no. A31992

**Place:** Mumbai

**Date:** May 3rd, 2019



## UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 134, dated November 16, 2007

Profit and Loss Account for the Year ended March 31, 2019

(₹ in 000's)

Particulars	Schedule	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Operating Profit / (Loss)</b>			
(a) Fire Insurance		322,978	341,645
(b) Marine Insurance		9,888	2,033
(c) Miscellaneous Insurance		1,526,921	3,571,320
		<u>1,859,787</u>	<u>3,914,998</u>
<b>Income from Investments</b>			
(a) Interest, Dividend and Rent - Gross		299,476	377,606
(b) Profit on sale / redemption of investments		18,216	39,237
Less : Loss on sale of investments		(22,889)	(643)
(c) Amortization of Discount / (Premium)		(7,205)	(14,345)
		<u>287,598</u>	<u>401,855</u>
<b>Other Income (To be specified)</b>			
Profit on Sale / Write off of Fixed Assets (Net)		28	-
<b>Total (A)</b>		<u><b>2,147,413</b></u>	<u><b>4,316,853</b></u>
<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		13,381	11,824
CSR Expenditure		10,077	7,980
Stamp Duty on Share Capital		-	1,000
Profit on Sale / Write off of Fixed Assets (Net)		-	318
Interest on Income Tax		56,877	-
Foreign Exchange (Gain) / Loss		-	-
		<u>80,335</u>	<u>21,122</u>
<b>Total (B)</b>		<u><b>80,335</b></u>	<u><b>21,122</b></u>
<b>Profit / (Loss) Before Tax (A) - (B)</b>		<u><b>2,067,078</b></u>	<u><b>4,295,731</b></u>
<b>Provision for taxation</b>			
(a) Current tax / MAT		694,387	1,323,876
Less MAT Credit Entitlement		-	-
(b) Deferred tax (Refer note no. 18)		17,290	6,294
<b>Profit / (Loss) After Tax</b>		<u><b>1,355,401</b></u>	<u><b>2,965,561</b></u>
<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>		<u><b>2,143,109</b></u>	<u><b>(822,452)</b></u>
<b>Balance carried forward to Balance Sheet</b>		<u><b>3,498,510</b></u>	<u><b>2,143,109</b></u>
<b>EARNINGS PER SHARE</b>			
<b>Basic (in Rupees) (Refer note no. 19)</b>		3.68	8.45
<b>Diluted (in Rupees) (Refer note no. 19)</b>		3.68	8.45
<b>Nominal Value per Equity Share (in Rupees)</b>		10.00	10.00

16

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

For V. K. Jindal & Co.

Chartered Accountants

Sd/-

V. K. Jindal

Partner

Membership No. 070666

Firm Reg. No. 001468C

For Rajendra K. Goel & Co.

Chartered Accountants

Sd/-

R. K. Goel

Partner

Membership No. 006154

Firm Reg. No. 001457N

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/-

Ram Niwas Jain

Director

DIN no.00671720

Sd/-

Sanjay Makwana

Chief Financial Officer

Membership no. 120012

Sd/-

Chetna Vasani

Company Secretary

Membership no. A31992

Place: Mumbai

Date: May 3rd, 2019

## 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, 2019

(₹ in 000's)

Particulars	Schedule	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Income</b>			
Premium earned (Net)	1	582,423	589,466
Profit / (Loss) on sale / redemption of Investments		(1,991)	8,407
Amortization of Discount / (Premium)		(3,070)	(3,125)
Interest, Dividend and Rent - Gross		127,603	82,253
Others - Miscellaneous Income (Terrorism Pool)		12,536	8,365
Foreign Exchange (Gain) / Loss		-	-
<b>Total (A)</b>		<b>717,501</b>	<b>685,366</b>
<b>Expenditure</b>			
Claims Incurred (Net)	2	207,396	171,019
Commission	3	93,756	75,798
Operating Expenses related to Insurance Business	4	93,371	96,904
Premium Deficiency		-	-
Others		-	-
<b>Total (B)</b>		<b>394,523</b>	<b>343,721</b>
<b>Operating Profit / (Loss) from Fire Business (C) = (A) - (B)</b>		<b>322,978</b>	<b>341,645</b>
<b>Appropriations</b>			
Transfer to Shareholders' Account		322,978	341,645
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>322,978</b>	<b>341,645</b>

Significant accounting policies and notes to accounts

16

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

As per our attached report of even date.

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

Chartered Accountants

Sd/-

**V. K. Jindal**

Partner

Membership No. 070666

Firm Reg. No. 001468C

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

Chartered Accountants

Sd/-

**R. K. Goel**

Partner

Membership No. 006154

Firm Reg. No. 001457N

**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/-

**Ram Niwas Jain**

Director

DIN no.00671720

Sd/-

**Sanjay Makwana**

Chief Financial Officer

Membership no. 120012

Sd/-

**Chetna Vasani**

Company Secretary

Membership no. A31992

**Place:** Mumbai

**Date:** May 3rd, 2019

## 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, 2019

(₹ in 000's)

Particulars	Schedule	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Income</b>			
Premium earned (Net)	1	55,530	56,910
Profit / (Loss) on sale / redemption of Investments		(77)	310
Amortization of Discount / (Premium)		(119)	(115)
Interest, Dividend and Rent - Gross		4,942	3,031
Others - Miscellaneous Income		-	-
Foreign Exchange (Gain) / Loss		-	-
<b>Total (A)</b>		<b>60,276</b>	<b>60,136</b>
<b>Expenditure</b>			
Claims Incurred (Net)	2	49,958	58,720
Commission	3	(7,442)	(10,515)
Operating Expenses related to Insurance Business	4	7,872	9,898
Premium Deficiency		-	-
Others		-	-
<b>Total (B)</b>		<b>50,388</b>	<b>58,103</b>
<b>Operating Profit / (Loss) from Marine Business (C) = (A) - (B)</b>		<b>9,888</b>	<b>2,033</b>
<b>Appropriations</b>			
Transfer to Shareholders' Account		9,888	2,033
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>9,888</b>	<b>2,033</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 V. K. Jindal & Co.**

Chartered Accountants

Sd/-

**V. K. Jindal**

Partner

Membership No. 070666

Firm Reg. No. 001468C

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

Chartered Accountants

Sd/-

**R. K. Goel**

Partner

Membership No. 006154

Firm Reg. No. 001457N

**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/-

**Ram Niwas Jain**

Director

DIN no.00671720

Sd/-

**Sanjay Makwana**

Chief Financial Officer

Membership no. 120012

Sd/-

**Chetna Vasani**

Company Secretary

Membership no. A31992

**Place:** Mumbai

**Date:** May 3rd, 2019

## 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, 2019

(₹ in 000's)

Particulars	Schedule	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Income</b>			
Premium earned (Net)	1	11,852,640	11,326,500
Profit / (Loss) on sale / redemption of Investments		(20,972)	88,106
Amortization of Discount / (Premium)		(32,339)	(32,748)
Interest, Dividend and Rent - Gross		1,344,229	862,042
Others - Miscellaneous Income (Terrorism Pool)		2,799	1,862
Foreign Exchange (Gain) / Loss		-	-
<b>Total (A)</b>		<b>13,146,357</b>	<b>12,245,762</b>
<b>Expenditure</b>			
Claims Incurred (Net)	2	8,539,383	6,510,595
Commission	3	577,902	(604,639)
Operating Expenses related to Insurance Business	4	2,498,356	2,765,350
Premium Deficiency		-	-
Others			
- Contribution to Solatium Fund		3,795	3,136
<b>Total (B)</b>		<b>11,619,436</b>	<b>8,674,442</b>
<b>Operating Profit / (Loss) from Miscellaneous Business (C) = (A) - (B)</b>		<b>1,526,921</b>	<b>3,571,320</b>
<b>Appropriations</b>			
Transfer to Shareholders' Account		1,526,921	3,571,320
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>1,526,921</b>	<b>3,571,320</b>

Significant accounting policies and notes to accounts

16

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

As per our attached report of even date.

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

Chartered Accountants

Sd/-

**V. K. Jindal**

Partner

Membership No. 070666

Firm Reg. No. 001468C

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

Chartered Accountants

Sd/-

**R. K. Goel**

Partner

Membership No. 006154

Firm Reg. No. 001457N

**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/-

**Ram Niwas Jain**

Director

DIN no.00671720

Sd/-

**Sanjay Makwana**

Chief Financial Officer

Membership no. 120012

Sd/-

**Chetna Vasani**

Company Secretary

Membership no. A31992

**Place:** Mumbai

**Date:** May 3rd, 2019



UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED  
SCHEDULE FORMING PART OF REVENUE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

SCHEDULE - 1  
PREMIUM EARNED [NET]

Particulars	FIRE		MARINE			MISCELLANEOUS												Year Ended March 31, 2019  (₹ in 000's)
	MARINE CARGO	MARINE HULL	MARINE TOTAL	Motor OD	Motor TP	Motor Total	Workmen's Compensa- tion	Personal Accident	Health Insurance	Public/ Product Liability	Engineer- ing	Aviation	Trade Credit	Crop	Others	Total	Grand Total	
Premium from direct business written (net of GST)	1,467,825	140,694	34,148	174,842	3,199,001	3,794,615	6,993,616	8,313	380,971	1,349,805	10,189	104,573	-	-	17,122,487	696,054	26,666,008	28,308,675
Add: Premium on reinsurance accepted	21,515	-	-	-	-	-	-	-	-	-	-	5,045	-	-	-	-	5,045	26,560
Less : Premium on reinsurance ceded	832,457	85,197	40,050	125,247	240,910	277,070	517,980	529	106,021	96,723	4,387	75,425	-	-	12,935,666	162,544	13,899,275	14,856,979
Net Premium	656,883	55,497	(5,902)	49,595	2,958,091	3,517,545	6,475,636	7,784	274,950	1,253,082	5,802	34,193	-	-	4,186,821	533,510	12,771,778	13,478,256
Adjustment for change in Reserve for Unexpired Risks	(74,460)	(679)	6,614	5,935	(122,175)	(507,086)	(629,261)	365	(5,663)	(188,371)	(137)	(4,727)	-	-	(102,420)	11,076	(919,138)	(987,663)
Total Premium Earned (Net)	582,423	54,818	712	55,530	2,835,916	3,010,459	5,846,375	8,149	269,287	1,064,711	5,665	29,466	-	-	4,084,401	544,586	11,852,640	12,490,593
Premiums, less reinsurance, written from business																		
In India	656,883	55,497	(5,902)	49,595	2,958,091	3,517,545	6,475,636	7,784	274,950	1,253,082	5,802	34,193	-	-	4,186,821	533,510	12,771,778	13,478,256
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Premium	656,883	55,497	(5,902)	49,595	2,958,091	3,517,545	6,475,636	7,784	274,950	1,253,082	5,802	34,193	-	-	4,186,821	533,510	12,771,778	13,478,256

Particulars	FIRE		MARINE			MISCELLANEOUS											Year Ended March 31, 2018  (₹ in 000's)
	MARINE CARGO	MARINE HULL	MARINE TOTAL	Motor OD	Motor TP	Motor Total	Workmen's Compensa- tion	Personal Accident	Health Insurance	Public/ Product Liability	Engineer- ing	Aviation	Trade Credit	Crop	Others	Total	
Premium from direct business written (net of service tax / GST)	1,420,497	179,583	219,402	3,336,478	3,136,470	6,472,948	18,314	587,672	1,007,693	5,646	134,997	4	-	12,437,155	804,303	21,468,732	23,108,631
Add: Premium on reinsurance accepted	21,022	-	-	-	-	-	-	-	-	-	4,630	-	-	-	-	4,630	25,652
Less : Premium on reinsurance ceded	779,665	119,160	151,629	185,516	170,677	356,193	2,430	102,970	88,477	2,149	87,612	4	-	7,641,653	157,932	8,439,420	9,370,714
Net Premium	661,854	60,423	67,773	3,150,962	2,965,793	6,116,755	15,884	484,702	919,216	3,497	52,015	-	-	4,795,502	646,371	13,033,942	13,763,569
Adjustment for change in Reserve for Unexpired Risks	(72,388)	(4,301)	(6,562)	(10,863)	(721,748)	(1,569,213)	3,591	(14,861)	(58,455)	(454)	13,019	-	39	(57,570)	(23,538)	(1,707,442)	(1,790,893)
Total Premium Earned (Net)	589,466	56,122	788	56,910	2,429,214	2,118,328	19,475	469,841	860,761	3,043	65,034	-	39	4,737,932	622,833	11,326,500	11,972,876
Premiums, less reinsurance, written from business																	
In India	661,854	60,423	67,773	3,150,962	2,965,793	6,116,755	15,884	484,702	919,216	3,497	52,015	-	-	4,795,502	646,371	13,033,942	13,763,569
Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Premium	661,854	60,423	67,773	3,150,962	2,965,793	6,116,755	15,884	484,702	919,216	3,497	52,015	-	-	4,795,502	646,371	13,033,942	13,763,569

## UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF REVENUE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

## SCHEDULE - 2

## CLAIMS INCURRED [NET]

Particulars	FIRE			MARINE			MISCELLANEOUS										Year Ended March 31, 2019	
	MARINE CARGO	MARINE HULL	MARINE TOTAL	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Personal Accident	Health Insurance	Public/ Product Liability	Engineer-ing	Aviation	Trade Credit	Crop	Others	Total	Grand Total	
Claims Paid - Direct	524,633	159,542	684,175	2,715,551	830,723	3,546,274	4,839	372,145	969,946	236	18,685	-	550	9,486,595	186,939	14,586,209	15,278,138	
Add : Reinsurance accepted	1,028	-	-	-	-	-	-	-	-	-	214	-	-	-	-	214	1,242	
Less: Reinsurance ceded	398,266	110,655	508,921	159,471	62,325	221,796	338	78,614	48,939	12	6,441	-	523	7,741,605	26,952	8,125,220	8,641,843	
<b>Net Claims Paid</b>	<b>127,395</b>	<b>48,887</b>	<b>176,282</b>	<b>48,939</b>	<b>768,398</b>	<b>3,324,478</b>	<b>4,501</b>	<b>293,531</b>	<b>921,007</b>	<b>224</b>	<b>12,458</b>	-	<b>27</b>	<b>1,744,990</b>	<b>159,987</b>	<b>6,461,203</b>	<b>6,637,537</b>	
Add : Claims Outstanding at the end of the Year	320,604	24,432	345,036	407,518	6,764,302	7,171,820	15,115	205,908	136,194	2,428	67,958	-	-	1,210,328	212,284	9,022,035	9,367,098	
Less : Claims Outstanding at the beginning of the year	240,603	23,318	263,921	450,039	4,907,704	5,357,743	13,438	192,243	134,540	1,884	27,847	-	-	1,011,004	205,156	6,943,855	7,207,898	
<b>Total Claims Incurred</b>	<b>207,396</b>	<b>50,001</b>	<b>257,397</b>	<b>49,958</b>	<b>2,624,996</b>	<b>5,138,555</b>	<b>6,178</b>	<b>307,196</b>	<b>922,661</b>	<b>768</b>	<b>52,569</b>	-	<b>27</b>	<b>1,944,314</b>	<b>167,115</b>	<b>8,539,383</b>	<b>8,796,737</b>	

Particulars	FIRE			MARINE			MISCELLANEOUS										Year Ended March 31, 2018	
	MARINE CARGO	MARINE HULL	MARINE TOTAL	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Personal Accident	Health Insurance	Public/ Product Liability	Engineer-ing	Aviation	Trade Credit	Crop	Others	Total	Grand Total	
Claims Paid - Direct	548,147	147,938	696,085	1,901,568	888,601	2,790,169	4,489	310,838	825,025	-	57,659	-	(1,778)	6,555,648	229,366	10,771,416	11,469,163	
Add : Reinsurance accepted	1,183	-	-	-	-	-	-	-	-	-	244	-	-	-	-	244	1,427	
Less: Reinsurance ceded	354,750	95,355	450,105	113,179	48,716	161,895	250	55,878	(75,598)	-	60,905	-	(1,689)	5,726,658	55,020	5,983,319	6,435,075	
<b>Net Claims Paid</b>	<b>194,580</b>	<b>52,583</b>	<b>247,163</b>	<b>1,788,389</b>	<b>839,885</b>	<b>2,628,274</b>	<b>4,239</b>	<b>254,960</b>	<b>900,623</b>	<b>-</b>	<b>(3,002)</b>	-	<b>(89)</b>	<b>828,990</b>	<b>174,346</b>	<b>4,788,341</b>	<b>5,035,515</b>	
Add : Claims Outstanding at the end of the Year	240,603	23,318	263,921	450,039	4,907,704	5,357,743	13,438	192,243	134,540	1,884	27,847	-	-	1,011,004	205,156	6,943,855	7,207,898	
Less : Claims Outstanding at the beginning of the year	264,164	17,314	281,478	157,937	4,159,951	4,317,888	3,929	47,269	49,058	200	6,458	-	472	672,994	123,333	5,221,601	5,503,079	
<b>Total Claims Incurred</b>	<b>171,019</b>	<b>58,587</b>	<b>229,606</b>	<b>58,720</b>	<b>1,587,638</b>	<b>3,668,129</b>	<b>13,748</b>	<b>399,934</b>	<b>986,105</b>	<b>1,684</b>	<b>18,387</b>	-	<b>(561)</b>	<b>1,167,000</b>	<b>256,169</b>	<b>6,510,595</b>	<b>6,740,334</b>	

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED  
SCHEDULE FORMING PART OF REVENUE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

SCHEDULE - 3  
COMMISSION [NET]

Particulars	FIRE		MARINE			MISCELLANEOUS												Year Ended March 31, 2019
	MARINE CARGO	MARINE HULL	MARINE TOTAL	Motor OD	Motor TP	Motor Total	Workmen's Compensa- tion	Personal Accident	Health Insurance	Public/ Product Liability	Engineer- ing	Aviation	Trade Credit	Crop	Others	Total	Grand Total	
Commission Paid - Direct	136,499	12,061	-	12,061	649,951	6,311	656,262	853	25,636	175,132	648	7,048	-	-	98,815	964,394	1,112,954	
Add: Commission on Reinsurance accepted	2,505	-	-	-	-	-	-	-	-	-	-	560	-	-	-	560	3,065	
Less : Commission on Reinsurance ceded	45,248	15,496	4,007	19,503	23,993	9,486	33,479	62	13,186	27,749	232	11,908	-	-	281,234	387,052	451,803	
Net Commission	93,756	(3,435)	(4,007)	(7,442)	625,958	(3,175)	622,783	791	12,450	147,383	416	(4,300)	-	-	(281,234)	577,902	664,216	

Break up of Gross Commission

Agents	1,512	515	-	515	41,307	1,975	43,282	264	907	30,841	16	702	-	-	-	2,030	78,042	80,069
Brokers	11,878	10,968	-	10,968	540,595	3,648	544,243	349	370	25,848	499	5,176	-	-	-	3,813	580,298	603,144
Corporate Agents	123,109	578	-	578	53,278	632	53,910	240	24,359	93,190	133	1,170	-	-	-	92,972	265,974	389,661
Others - Web Aggregator	-	-	-	-	14,771	56	14,827	-	-	25,253	-	-	-	-	-	-	40,080	40,080
<b>Total</b>	<b>136,499</b>	<b>12,061</b>	<b>-</b>	<b>12,061</b>	<b>649,951</b>	<b>6,311</b>	<b>656,262</b>	<b>853</b>	<b>25,636</b>	<b>175,132</b>	<b>648</b>	<b>7,048</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,815</b>	<b>964,394</b>	<b>1,112,954</b>

Particulars	FIRE		MARINE			MISCELLANEOUS												Year Ended March 31, 2018
	MARINE CARGO	MARINE HULL	MARINE TOTAL	Motor OD	Motor TP	Motor Total	Workmen's Compensa- tion	Personal Accident	Health Insurance	Public/ Product Liability	Engineer- ing	Aviation	Trade Credit	Crop	Others	Total	Grand Total	
Commission Paid - Direct	131,367	11,620	-	11,620	434,724	6,747	441,471	947	20,974	121,053	317	5,416	-	-	-	98,791	688,969	831,956
Add: Commission on Reinsurance accepted	2,802	-	-	-	-	-	-	-	-	-	-	560	-	-	-	-	560	3,362
Less : Commission on Reinsurance ceded	58,371	18,740	3,395	22,135	25,009	7,843	32,852	137	13,554	23,512	48	18,955	-	-	1,181,528	23,582	1,294,168	1,374,674
Net Commission	75,798	(7,120)	(3,395)	(10,515)	409,715	(1,096)	408,619	810	7,420	97,541	269	(12,979)	-	-	(1,181,528)	75,209	(604,639)	(539,356)

Break up of Gross Commission

Agents	1,597	526	-	526	36,822	2,972	39,794	307	1,007	17,104	22	573	-	-	-	1,968	60,775	62,898
Brokers	6,649	10,620	-	10,620	330,202	3,151	333,353	252	554	10,496	180	3,803	-	-	-	2,939	351,577	368,846
Corporate Agents	123,121	474	-	474	56,525	624	57,149	388	19,413	84,507	115	1,040	-	-	-	93,884	256,496	380,091
Others - Web Aggregator	-	-	-	-	11,175	-	11,175	-	-	8,946	-	-	-	-	-	-	20,121	20,121
<b>Total</b>	<b>131,367</b>	<b>11,620</b>	<b>-</b>	<b>11,620</b>	<b>434,724</b>	<b>6,747</b>	<b>441,471</b>	<b>947</b>	<b>20,974</b>	<b>121,053</b>	<b>317</b>	<b>5,416</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,791</b>	<b>688,969</b>	<b>831,956</b>

## UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF REVENUE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

## SCHEDULE - 4

## OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

	FIRE	MARINE			MISCELLANEOUS													Year Ended March 31, 2019
		MARINE CARGO	MARINE HULL	MARINE TOTAL	Motor OD	Motor TP	Motor Total	Workmen's Compensa- tion	Personal Accident	Health Insurance	Public/ Product Liability	Engineer- ing	Aviation	Trade Credit	Crop	Others	Total	
Employees' remuneration and welfare benefits	34,518	2,916	-	2,916	155,442	184,840	340,282	409	14,448	65,847	305	1,797	-	-	220,924	28,035	672,047	709,481
Travel, conveyance and vehicle running expenses	2,492	211	-	211	11,220	13,342	24,562	30	1,043	4,753	22	130	-	-	30,090	2,024	62,654	65,357
Training expenses	121	10	-	10	544	647	1,191	1	51	231	1	6	-	-	770	98	2,349	2,480
Rents, rates and taxes	6,239	527	-	527	28,094	33,407	61,501	74	2,611	11,901	55	325	-	-	285,054	5,067	366,588	373,354
Repairs	8,077	682	-	682	36,373	43,252	79,625	96	3,381	15,408	71	420	-	-	51,482	6,560	157,043	165,802
Printing and stationery	1,476	125	-	125	6,646	7,903	14,549	17	618	2,815	13	77	-	-	10,827	1,199	30,115	31,716
Communication	2,628	222	-	222	11,835	14,073	25,908	31	1,100	5,014	23	137	-	-	16,751	2,135	51,099	53,949
Legal and Professional charges	4,151	351	-	351	21,147	25,146	46,293	49	1,738	7,919	37	216	-	-	26,459	3,372	86,083	90,585
Service Charges	6,067	513	-	513	81,022	122,518	203,540	72	15,872	14,474	54	316	-	-	295,777	4,928	535,033	541,613
Auditors' fees, expenses etc.																		
a) as auditors	158	13	-	13	713	848	1,561	2	66	302	1	8	-	-	1,009	129	3,078	3,249
b) as advisor or in any other capacity, in respect of :	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c) in any other capacity and	68	6	-	6	306	364	670	1	28	130	1	4	-	-	433	55	1,322	1,396
d) out of pocket expenses	33	3	-	3	148	176	324	-	14	63	-	2	-	-	210	27	640	676
Advertisement and publicity	13,196	1,115	-	1,115	59,426	70,665	130,091	156	5,524	25,174	117	687	-	-	84,111	10,718	256,578	270,889
Interest and Bank Charges	648	55	-	55	2,916	3,468	6,384	8	271	1,235	6	34	-	-	4,128	526	12,592	13,295
Others:																		
Agents Training	13	1	-	1	58	68	126	-	5	24	-	1	-	-	81	10	247	261
Recruitment Expenses	77	6	-	6	346	411	757	1	32	146	1	4	-	-	489	62	1,492	1,575
Information Technology Expenses	6,614	559	-	559	29,784	35,417	65,201	78	2,768	12,617	58	344	-	-	42,156	5,372	128,594	135,767
Membership & Subscription	257	22	-	22	1,156	1,375	2,531	3	107	490	2	13	-	-	1,636	209	4,991	5,270
Miscellaneous Expenses	1,005	67	-	67	3,551	3,962	7,513	9	330	1,524	7	92	-	-	8,105	644	18,224	19,296
Depreciation	5,533	468	-	468	24,918	29,631	54,549	66	2,316	10,556	49	288	-	-	35,269	4,494	107,587	113,588
Goods and Service Tax on premium account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	93,371	7,872	-	7,872	475,645	591,513	1,067,158	1,103	52,323	180,623	823	4,901	-	-	1,115,761	75,664	2,498,356	2,599,599



UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED  
SCHEDULE FORMING PART OF REVENUE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

SCHEDULE - 4  
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

	FIRE	MARINE			MISCELLANEOUS											Year Ended March 31, 2018		
		MARINE CARGO	MARINE HULL	MARINE TOTAL	Motor OD	Motor TP	Motor Total	Workmen's Compensa- tion	Personal Accident	Health Insurance	Public/ Product Liability	Engineer- ing	Aviation	Trade Credit	Crop		Others	Total
Employees' remuneration and welfare benefits	32,683	2,984	363	3,347	155,596	146,452	302,048	784	23,935	45,391	173	2,569	-	-	236,804	31,918	643,622	679,652
Travel, conveyance and vehicle running expenses	2,958	270	33	303	14,084	13,257	27,341	71	2,167	4,109	16	232	-	-	21,435	2,889	58,280	61,521
Training expenses	127	12	1	13	606	570	1,176	3	93	177	1	10	-	-	922	124	2,506	2,646
Rents, rates and taxes	6,307	576	70	646	30,027	28,262	58,289	151	4,619	8,760	33	496	-	-	155,550	6,159	234,057	241,010
Repairs	7,310	667	81	748	34,801	32,755	67,556	175	5,353	10,152	39	574	-	-	52,964	7,139	143,952	152,010
Printing and stationery	2,705	247	30	277	12,880	12,123	25,003	65	1,981	3,757	14	213	-	-	19,602	2,642	53,277	56,259
Communication	3,129	286	35	321	14,898	14,022	28,920	75	2,292	4,346	17	246	-	-	22,673	3,056	61,625	65,075
Legal and Professional charges	6,271	573	70	643	29,856	28,101	57,957	151	4,593	14,246	33	493	-	-	45,438	6,124	129,035	135,949
Service Charges	9,993	912	111	1,023	287,246	270,365	557,611	240	11,820	13,879	53	785	-	-	348,844	9,759	942,991	954,007
Auditors' fees, expenses etc.																		
a) as auditors	120	11	1	12	572	539	1,111	3	88	167	1	9	-	-	871	118	2,368	2,500
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	19	2	-	2	92	86	178	-	14	27	-	2	-	-	139	19	379	400
d) out of pocket expenses	26	2	-	2	126	118	244	1	19	37	-	2	-	-	191	26	520	548
Advertisement and publicity	12,073	1,102	134	1,236	57,476	54,099	111,575	290	8,841	16,767	64	949	-	-	87,474	11,790	237,750	251,059
Interest and Bank Charges	421	38	5	43	2,003	1,885	3,888	10	308	584	2	33	-	-	3,048	411	8,284	8,748
Others:																		
Agents Training	11	1	-	1	52	49	101	-	8	15	-	1	-	-	78	11	214	226
Recruitment Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Information Technology Expenses	6,697	611	74	685	31,883	30,009	61,892	161	4,904	9,301	35	526	-	-	48,523	6,540	131,882	139,264
Membership & Subscription	252	23	3	26	1,199	1,128	2,327	6	184	350	1	20	-	-	1,824	246	4,958	5,236
Miscellaneous Expenses	1,364	103	13	116	5,365	5,046	10,411	27	825	1,597	6	140	-	-	8,165	1,096	22,267	23,747
Depreciation	4,438	405	49	454	21,130	19,888	41,018	107	3,250	6,164	23	349	-	-	32,158	4,334	87,403	92,295
Service tax / Goods and Service Tax on premium account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	96,904	8,825	1,073	9,898	699,892	658,754	1,358,646	2,320	75,294	139,826	511	7,649	-	-	1,086,703	94,401	2,765,350	2,872,152

## UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019

### SCHEDULE - 5

#### SHARE CAPITAL

	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
<b>Authorised Capital</b>		
400,000,000 Equity Shares of ₹ 10 each	4,000,000	4,000,000
<b>Issued Capital</b>		
368,181,820 Equity Shares of ₹ 10 each	3,681,818	3,681,818
<b>Subscribed Capital</b>		
368,181,820 Equity Shares of ₹ 10 each	3,681,818	3,681,818
<b>Called-up Capital</b>		
368,181,820 Equity Shares of ₹ 10 each	3,681,818	3,681,818
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>3,681,818</b>	<b>3,681,818</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, 2019		At March 31, 2018	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters:				
Indian	240,738,637	65.4%	263,545,455	71.6%
Foreign	127,443,183	34.6%	104,636,365	28.4%
Others	-	0.0%	-	0.0%
<b>TOTAL</b>	<b>368,181,820</b>	<b>100.0%</b>	<b>368,181,820</b>	<b>100.0%</b>

## UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019

### SCHEDULE - 6

#### RESERVES AND SURPLUS

	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Share Premium	-	-
Opening Balance	1,676,182	858,000
Additions during the year	-	818,182
Deductions during the year	-	-
Closing Balance	1,676,182	1,676,182
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	3,498,510	2,143,109
<b>TOTAL</b>	<b>5,174,692</b>	<b>3,819,291</b>

### SCHEDULE - 7

#### BORROWINGS

	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
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, 2019

### SCHEDULE - 8

### INVESTMENTS - SHAREHOLDERS

	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	1,275,846	2,062,985
Other Approved Securities	-	2,848
Other Investments:	-	-
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	519,404	1,515,713
(e) Other Securities / Bank Deposit	-	-
(f) Subsidiaries	-	-
(g) Investment Properties - Real Estate	-	-
Investments in Infrastructure and Social Sector	992,718	1,306,280
Other than Approved Investments	-	-
(a) Shares : Equity	-	-
(b) Debentures/ Bonds (Refer below note no. 3)	42,993	31,410
<b>Total Long Term Investments</b>	<b>2,830,961</b>	<b>4,919,236</b>
<b>SHORT TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	106,121	114,149
Other Approved Securities	-	-
Other Investments:	-	-
(a) Shares	-	-
(aa) Equity	45,382	74,626
(bb) Preference	-	-
(b) Mutual Funds	-	114,405
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	691,149	655,237
(e) Other Securities / Bank Deposit	92,713	51,305
(f) Subsidiaries	-	-
(g) Investment Properties - Real Estate	-	-
Investments in Infrastructure and Social Sector	159,918	199,656
Other than Approved Investments	-	-
(a) Shares : Equity	-	-
(b) Mutual Fund	-	-
(c) Debentures/ Bonds (Refer below note no. 3)	25,726	-
<b>Total Short Term Investments</b>	<b>1,121,009</b>	<b>1,209,378</b>
<b>Total Investments</b>	<b>3,951,970</b>	<b>6,128,614</b>

**Notes:**

- Aggregate book value of Investments (other than listed equities & mutual fund) is ₹ 71,89,631 thousands (previous year ₹ 59,39,583 thousands)
- Aggregate market value of Investments (other than listed equities & mutual fund) is ₹ 71,82,821 thousands (previous year ₹ 58,84,468 thousands)
- Provision for IL & FS security for Long Term Investment (Greater than 1 year) of ₹ 13,963 thousands & for Short Term Investment (less than 1 year) of ₹ 2,327 thousands (previous year ₹ Nil) (Refer Note no 9)
- Investments have been allocated in the ratio of policyholder and shareholder fund (Refer Note no.2.10)



## UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019

### SCHEDULE - 8A

### INVESTMENTS - POLICYHOLDERS

	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	6,291,445	5,174,867
Other Approved Securities	-	7,145
Other Investments:		
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	2,561,284	3,802,070
(e) Other Securities / Bank Deposit	-	-
(f) Subsidiaries	-	-
(g) Investment Properties - Real Estate	-	-
Investments in Infrastructure and Social Sector	4,895,288	3,276,719
Other than Approved Investments		
(a) Shares : Equity	-	-
(b) Debentures/ Bonds (Refer below note no. 3)	212,007	78,790
<b>Total Long Term Investments</b>	<b>13,960,024</b>	<b>12,339,591</b>
<b>SHORT TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	523,306	286,335
Other Approved Securities	-	-
Other Investments:		
(a) Shares	-	-
(aa) Equity	223,790	187,193
(bb) Preference	-	-
(b) Mutual Funds	-	286,977
(c) Derivative Instruments	-	-
(d) Debentures / Bonds	3,408,193	1,643,620
(e) Other Securities / Bank Deposit	457,187	128,695
(f) Subsidiaries	-	-
(g) Investment Properties - Real Estate	-	-
Investments in Infrastructure and Social Sector	788,589	500,825
Other than Approved Investments		
(a) Shares : Equity	-	-
(b) Mutual Fund	-	-
(c) Debentures/ Bonds (Refer below note no. 3)	126,858	-
<b>Total Short Term Investments</b>	<b>5,527,923</b>	<b>3,033,645</b>
<b>Total Investments</b>	<b>19,487,947</b>	<b>15,373,236</b>

#### Notes:

- Aggregate book value of Investments (other than listed equities & mutual fund) is ₹ 1,59,81,114 thousands (previous year ₹ 1,48,99,066 thousands)
- Aggregate market value of Investments (other than listed equities & mutual fund) is ₹ 1,59,65,976 thousands (previous year ₹ 1,47,60,815 thousands)
- Provision for IL & FS security for Long Term Investment (Greater than 1 years) of ₹ 31,037 thousands & for Short Term Investment (less than 1 year) of ₹ 5,173 thousands (previous year ₹ Nil) (Refer Note no 9)
- Investments have been allocated in the ratio of policyholder and shareholder fund (Refer Note no. 2.10)

## UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019

### SCHEDULE - 9

#### LOANS

	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
<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>Total</b>	-	-
<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).

## 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, 2019	As at March 31, 2018
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Computer Software	188,632	2,321	-	190,953	149,594	16,110	-	165,704	25,249	39,038
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	160,165	1,168	2,986	158,347	153,686	5,852	2,986	156,552	1,795	6,478
Buildings	-	-	-	-	-	-	-	-	-	-
Furniture and Fittings	71,841	1,209	952	72,098	47,116	5,692	799	52,009	20,089	24,725
Information Technology Equipments	615,737	83,860	284	699,313	297,366	80,926	261	378,031	321,282	318,371
Vehicles	9,570	3,287	3,077	9,780	3,848	1,233	2,995	2,086	7,694	5,722
Office Equipments	59,571	1,871	637	60,805	51,513	3,774	636	54,651	6,154	8,058
Others	-	-	-	-	-	-	-	-	-	-
Total	1,105,516	93,716	7,936	1,191,296	703,123	113,587	7,677	809,033	382,263	402,392
Work - In - progress	-	-	-	-	-	-	-	-	16,326	44,745
Grand Total	1,105,516	93,716	7,936	1,191,296	703,123	113,587	7,677	809,033	398,589	447,137
Previous Year	896,530	264,143	10,412	1,150,261	619,128	92,298	8,302	703,124	447,137	-

## UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019

### SCHEDULE - 11

#### CASH AND BANK BALANCES

	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
1. Cash (including cheques, drafts and stamps)	4,780	4,573
2. Bank Balances	-	-
(a) Deposit Accounts	-	-
(aa) Short-term (due within 12 months)	-	-
(bb) Others	-	-
(b) Current Accounts	595,138	1,369,597
(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>599,918</b>	<b>1,374,170</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, 2019

**SCHEDULE - 12**

**ADVANCES AND OTHER ASSETS**

	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
<b>ADVANCES</b>		
Reserve deposits with ceding companies	-	-
Application money for investments	-	-
Prepayments	26,880	25,043
Advances to Directors / Officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	63,580	-
MAT credit entitlement	-	-
Others		
Advance to Employees against expenses	359	283
Advance to Others	16,284	9,163
Surplus in Gratuity fund	396	170
<b>Total (A)</b>	<b>107,499</b>	<b>34,659</b>
<b>OTHER ASSETS</b>		
Income accrued on investments	816,265	714,327
Outstanding Premiums	2,629,288	751,750
Agents' Balances	6,840	5,668
Foreign Agencies Balances	-	-
Due from other entities carrying on insurance business (net) (including reinsurers)	5,777,531	5,995,356
Due from subsidiaries / holding company	-	-
Deposit with Reserve Bank of India (Pursuant to Section 7 of Insurance Act, 1938)	-	-
Unclaimed amount pertaining to Policyholders	32,847	34,647
Interest on Unclaimed amount pertaining to Policyholders	6,232	4,558
Others		
Deposits for Office Premises	60,446	60,525
Other Deposits	9,149	9,492
Receivable from Terrorism Pool	253,947	211,109
Receivable from Nuclear Pool	31,100	20,000
GST Unutilized credit	291,374	196,437
Contracts for Sales - Investment	99,134	-
<b>Total (B)</b>	<b>10,014,153</b>	<b>8,003,869</b>
<b>Total (A)+(B)</b>	<b>10,121,652</b>	<b>8,038,528</b>



## UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2019

### SCHEDULE - 13

#### CURRENT LIABILITIES

	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
Agents' Balances	113,574	92,481
Balances due to other insurance companies (net) (including reinsurers)	3,055,080	4,666,534
Deposits held on re-insurance ceded	-	-
Premiums received in advance	481,952	112,367
Unallocated Premium	2,566	13,956
Sundry Creditors	482,108	583,689
Unclaimed amount of Policyholders	32,847	34,328
Interest on Unclaimed amount pertaining to Policyholders	6,232	4,558
Due to subsidiaries / holding company	-	-
Claims Outstanding (Gross)	15,012,720	12,244,059
Due to Officers / Directors	-	-
Others		
Due to Solatium Fund	14,381	10,586
Due to Environment Relief Fund (Refer note no: 15)	-	-
Due to Statutory Authorities	33,800	47,672
Contracts for Purchases - Investment	152,863	180,000
<b>Total</b>	<b>19,388,123</b>	<b>17,990,230</b>

### SCHEDULE - 14

#### PROVISIONS

	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
Reserve for Unexpired Risk	6,291,931	5,304,270
Reserve for premium deficiency	-	-
For taxation (less advance tax paid and taxes deducted at source)	-	588,148
For proposed dividends	-	-
For dividend distribution tax	-	-
Others - Retirement Benefits		
Leave Encashment	6,471	8,354
Gratuity	-	-
<b>Total</b>	<b>6,298,402</b>	<b>5,900,772</b>

### SCHEDULE - 15

#### MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

	(₹ in 000's)	
	At March 31, 2019	At March 31, 2018
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, 2019

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.

The Shareholders of the Company are Allahabad Bank (28.52%), Indian Overseas Bank (18.06%), Karnataka Bank Ltd. (6.00%), Dabur Investment Corporation (12.81%) and Sampo Japan Nipponkoa Insurance Inc. (34.61%).

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 read with Rule 7 of the Companies (Accounts) Rules, 2014 and 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 which are 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 reporting year and future years, as applicable.

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 and when such premiums are recovered. 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 service tax or goods and service tax. Any subsequent revision to premiums as and when they occur are recognized over the remaining period of risk or contract period of the respective policies.

In case of Long term motor insurance policies for new cars and new two wheelers sold on or after September 01st, 2018, premium received (net of Goods and Services Tax) for third party liability coverage is recognised equally over the policy period at the commencement of risk on 1/n basis where 'n' denotes the term of the policy in years and premium received for own damage coverage is recognised as per the annual premium allocation determined based on year to year basis in proportion to IDV as it moves from year to year in terms of IRDAI circulars.

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 (1/365th 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.

### 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 Company level when the sum of expected claim costs and related expenses and maintenance costs (related to claims handling) on the unexpired period of the in-force policies exceed the related reserve for unexpired risks. The Company considers maintenance cost as relevant cost incurred for ensuring claims handling operations. The Premium deficiency 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 fee, legal fee 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. The related amounts recoverable from reinsurer/co-insurer are recorded simultaneously along with claims. Claims Paid (net of recoveries and salvage refund by the insured and including interest paid towards claims) is recorded when approved for payment.

Estimated liability for outstanding claims at balance sheet date is recorded in the respective revenue accounts, net of claims recoverable from / payable to re-insurers / co-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 prior to the end of current 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 APS 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 12, 2017, the investment assets have been bifurcated on notional basis between policyholders' and shareholders' based on policyholders' funds and shareholders' funds and disclosed accordingly 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 other costs 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 on straight line basis and the provisions as laid down under Schedule II of the Companies Act, 2013 which specify the "useful life" of various assets. The useful lives of various assets is adopted by the company as under

Nature of Asset	Useful lives
Furniture and Fittings	10

Nature of Asset	Useful lives
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 (PF)

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 (NPS)

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 basic salary payable to eligible employee. The contributions paid by the company as its share in NPS, if any 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 accordingly 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 accordingly 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 otherwise on re-statement at reporting date 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, the 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 to such class on actual basis;
- Other expenses, that are not directly attributable to a business class are broadly allocated on the basis of net premium in each such 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 are ceded at '100% to the Terrorism Pool collected' to the terrorism Pool, subject to the condition and an overall limit of ₹ 20 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, 2018 (previous year: December 31st, 2017) as per the last confirmation received and 50% of the amount has been appropriated and carried forward to the subsequent accounting period as Unexpired risk reserve.

## 2.18 India Nuclear Insurance Pool (INIP)

In view of passage of Civil Liability for Nuclear Damage Act, 2010, GIC Re as Indian Reinsurer initiated the formation of the India Nuclear Insurance Pool (INIP) along with other domestic non-life insurance companies by pooling the capacity to provide insurance covers for the nuclear risks. INIP is an unregistered reinsurance arrangement among its members i.e. capacity providers without any legal entity. GIC Re and 11 non-life insurance companies are founder members with their collective capacity of ₹ 15 billion. GIC Re is also appointed as the pool manager of the INIP. The business underwritten by the INIP will be retroceded to all the Member Companies including GIC Re in proportion of their capacity collated. Out of the total capacity of ₹ 15 billion of the INIP, the capacity provided by the Company is ₹ 0.10 billion. The Company has not received any statement of account during the year from INIP Administrator.

## 2.19 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.

## 2.20 Contribution to Environment Relief Fund

In accordance with the notification no G.S.R 768(E), issued by the Ministry of Environment and Forests, dated November 4th, 2008, the Company provides for contribution to the Environment Relief Fund established by the Central Government, an amount equal to the premium received in relation to public Liability policies issued by the company, as per the rules specified by Public Liability Insurance Rules 1992.

## 2.21 Transfer of amounts to Senior Citizen Welfare Fund

In accordance with the requirement of the notification no G.S.R 380(E), issued by the Ministry of Finance, dated April 11th, 2017 read with IRDAI Circular No. IRDA/F&A/CIR/MISC/173/07/2017 dated July 25th, 2017 the Company transfer amounts outstanding for a period of more than 10 years in Unclaimed amount of Policyholders to Senior Citizen Welfare Fund (SCWF) on or before March 1st of each financial year (if any).

## 2.22 Preliminary Expenses

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

## 2.23 Taxation

### Current tax

The Company provides for income tax on the basis of 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.

## 2.24 Goods and Service Tax(GST)

Goods and Services Tax (GST) collected on various output services for each State are considered as a liability against which GST paid for eligible inputs and services for each State are adjusted and the net liability is remitted to the appropriate authorities under GST, as stipulated. The unutilized input tax credits (ITC), if any, are carried forward under "Advances and other Assets" in Schedule 12 for adjustments in subsequent periods. The GST liability, if any arising after set-off / adjustment of ITC are disclosed in Schedule 13 under the heading 'Goods and Service Tax Payable'.

## 2.25 Provisions and Contingent liabilities

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

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

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

## 2.26 Earnings per Share

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

## 2.27 Receipt and Payment Account

Receipts and Payments Account is prepared and reported using the Direct Method, in conformity with para 2.2 of the Master Circular on Preparation of the Financial Statements – General Insurance Business dated October 5th, 2012, issued by the IRDAI.

## Notes Forming Part of Accounts

### 3. Contingent Liabilities

(₹ in 000's)

	Particulars	As at March 31, 2019	As at March 31, 2018
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	-	-
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	8,68,107	7,48,629
	<b>TOTAL</b>	<b>8,68,107</b>	<b>7,48,629</b>

### 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) ₹ 17,644 thousands (previous year: ₹ 32,782 thousands).

### 6. Claims

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

(₹ in 000's)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
In India	66,37,537	50,35,515
Outside India	-	-
<b>Total</b>	<b>66,37,537</b>	<b>50,35,515</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	As at March 31, 2019	As at March 31, 2018
Outstanding for less than six months*	39,11,526	43,35,418
Outstanding for more than six months*	34,79,610	29,08,132
<b>Total</b>	<b>73,91,136</b>	<b>72,43,550</b>

(\*Excluding IBNR/ IBNER Reserve)

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

## 7. Premiums

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

(₹ in 000's)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
In India	1,34,78,256	1,37,63,569
Outside India	-	-

- b) The Company has recognized Nil (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, 2019		For the year ended March 31, 2018	
		Retention	Ceded	Retention	Ceded
Fire	Total sum insured	50%	50%	51%	49%
Marine	Value at risk	34%	66%	35%	65%
Miscellaneous					
Motor	Total sum insured	95%	5%	95%	5%
Workmen's Compensation	Value at risk	95%	5%	95%	5%
Personal Accident	Value at risk	80%	20%	86%	14%
Health Insurance	Value at risk	93%	7%	91%	9%
Public/Product Liability	Value at risk	83%	17%	95%	5%
Engineering	Total sum insured	42%	58%	46%	54%
Aviation	Value at risk	-	-	12%	88%
Credit Insurance	Value at risk	-	-	-	-
Weather Crop Insurance	Value at risk	28%	72%	42%	58%
Others	Value at risk	88%	12%	87%	13%

## 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 except investment in IL&FS securities of ₹ 4,44,581 thousands (previous year ₹ Nil). Unrealized losses arising due to changes in the fair value of listed equity shares and Mutual Fund for the year ended March 31st 2019 is ₹ 10,277 thousands (previous year ₹ -19,901 thousands).

### Reversal of Income and provision for Investment held in securities of IL&FS

Based on Investment Master Circular, IRDAI (Investment) Regulation, 2016 version 2, dated 3rd May 2017 and RBI Master Circular – DBR.No.BO.BC.2/21.04.048/2015-16 dated 01st July 2015, the company have made the following provision and reversal of interest income while adopting prudent approach in relation to the investments held in securities of IL&FS

- Provision against IL&FS securities has been made of ₹ 99,791 thousands (previous year ₹ Nil) which include adhoc provision of ₹ 23,645 thousands .
- Reversal of Interest income has been made of ₹ 27,040 thousands (previous year ₹ Nil).

b) Value of Contracts in relation to Investment for :

(₹ in 000's)

Particulars	As at March 31, 2019	As at March 31, 2018
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 ₹ 2,58,895 thousands (Previous year ₹ 6,83,102 thousands).

c) Investment in Reverse Repo

The Company, during the financial year 2018-19, 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, 2019
Securities sold under Repo				
i. Government Securities	Nil	Nil	Nil	Nil
ii. Corporate Debt Securities	Nil	Nil	Nil	Nil
Securities purchased under Reserve Repo				
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, 2019 (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, 2019	Year Ended March 31, 2018
Salary, Remuneration & Allowances	16,050	16,050
Contribution to Provident Fund	450	450
Sitting Fees	4,250	3,700
Profit Linked Commissions	2,500	2,500
Perquisites	-	-
<b>Total</b>	<b>23,250</b>	<b>22,700</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 pre- mium procured in Rural Sector	Rural Sector premium as to GDPI (%)	Required % as per the Regulations	Compliance with the Regula- tions (Yes/No)
2018-19	2,83,08,675	1,73,75,832	61.38%	7.0%	Yes
2017-18	2,31,08,631	1,30,13,463	56.31%	7.0%	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 Regulations	Compliance with the Regulations (Yes/No)
2018-19	2,25,49,217	44,32,289	19.66%	5.0%	Yes
2017-18	1,16,47,441	1,06,19,152	91.17%	5.0%	Yes

12. Premium deficiency

Premium deficiency is recognised at Company level when the sum of expected claim costs and related expenses and maintenance costs (related to claims handling) on the unexpired period of the in-force policies exceed the related reserve for unexpired risks. The Company considers maintenance cost as relevant cost incurred for ensuring claims handling operations. The Premium deficiency is calculated and duly certified by the Appointed Actuary. There is no premium deficiency arises as on March 31st, 2019 for the company at company level as determined by Appointed Actuary.

13. (a) IBNR and IBNER Calculations

The liability for IBNR (including IBNER) as at March 31st, 2019 has been estimated using actuarial techniques in accordance with the IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 and wherever relevant APS 21 (Appointed Actuary and General Insurance Business) issued by Institute of Actuaries of India. The Appointed Actuary has certified that for all lines of business, multiple methods for the purpose of determination of IBNR (including IBNER) were analysed and the final IBNR has been estimated after evaluating the results produced by different methods.

The Appointed Actuary has used the combination of the Ultimate Loss Ratio Method, Chain Ladder Method, Frequency-Severity method and Born-Huetter Ferguson Method for the projection of IBNR & IBNER for each lines of business.

Net IBNR reserves have been arrived after allowance for reinsurance recoveries.

Pursuant to revised IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 dated 7th April 2016, claims reserves are determined as the aggregate amount of Outstanding Claims reserve and Incurred but not reported (IBNR) claim reserve for 28 stipulated lines of business.

(b) Provision for Free Look Period

The provision for free look period is Nil (Previous year Nil) as certified by Appointed Actuary.

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 ₹ 321 thousands (previous year ₹ 277 thousands) was collected towards Environment Relief Fund for public liability policies and an amount of ₹ 321 thousands (previous year ₹ 303 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 ₹ Nil (previous year ₹ Nil) have been shown as "Due to Environment Relief Fund" in schedule 13.

16. Segmental Reporting

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

Segmental Assets & liabilities to the extent of identifiable to business segment.

(₹ in 000's)

Segment	Year	Claims Outstanding	Outstanding Premium
Fire	2018-19	10,70,892	-
	2017-18	9,13,859	-
Marine Cargo	2018-19	74,046	-
	2017-18	94,877	-
Marine Hull	2018-19	28,772	-
	2017-18	19,192	-
Motor OD	2018-19	4,82,494	-
	2017-18	4,75,989	-
Motor TP	2018-19	72,92,067	-
	2017-18	53,72,349	-
Workmen Compensation	2018-19	16,229	-
	2017-18	14,448	-
Personal Accident	2018-19	2,70,672	-
	2017-18	2,36,060	-
Health	2018-19	1,44,705	-
	2017-18	1,46,576	-
Public/Product Liability	2018-19	10,840	-
	2017-18	3,941	-
Engineering	2018-19	95,352	-
	2017-18	67,512	-
Aviation	2018-19	-	-
	2017-18	-	-
Credit Insurance	2018-19	-	-
	2017-18	1,577	-
Weather/Crop Insurance	2018-19	52,23,811	26,29,288
	2017-18	46,44,149	7,51,750
Others	2018-19	3,02,840	-
	2017-18	2,53,530	-
<b>Total</b>	<b>2018-19</b>	<b>1,50,12,720</b>	<b>26,29,288</b>
	<b>2017-18</b>	<b>1,22,44,059</b>	<b>7,51,750</b>

#### 17. 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, 2019	Year Ended March 31, 2018
Payable not later than one year	95,717	1,09,180
Payable later than one year but not later than five years	1,73,009	1,92,266
Payable later than five years	48,518	36,378

An amount of ₹ 1,08,397 thousands (previous year Regular ₹ 98,902 thousands) towards lease payments has been recognized in Revenue Accounts.

## 18. Deferred Taxes

Accounting Standard (AS) 22 – Accounting for Taxes on Income requires the Company to accrue taxes on income in the same period as the revenue and expenses to which they relate. As the taxable income is different from the reported income due to timing differences, there arises a potential deferred tax asset or deferred tax liability, as the case may be. The components of the company's deferred tax assets / liabilities are as under:

(₹ in 000's)		
Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Deferred tax asset</b>		
Timing difference on account of -		
Reserve for Unexpired risks / premium deficiency	-	-
Gratuity / Leave accrued	2,123	2,832
Provision for escalation in lease rentals	7,616	9,554
Depreciation as per Section 32 as per provision of I. T. Act, 1961	-	-
<b>Total</b>	<b>9,739</b>	<b>12,386</b>
<b>Deferred tax liability</b>	<b>-</b>	<b>-</b>
Depreciation as per Section 32 as per provision of I. T. Act, 1961	16,503	1,861
<b>Total</b>	<b>16,503</b>	<b>1,861</b>
<b>Net deferred tax asset / ( liability )</b>	<b>(6,764)</b>	<b>10,525</b>
<b>Deferred Tax expense / (income) recognised in the P&amp;L A/c</b>	<b>17,290</b>	<b>6,294</b>
<b>Total deferred tax expense / ( income )</b>	<b>17,290</b>	<b>6,294</b>

## 19. Earnings Per Share (EPS)

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

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Profit / (Loss) available to equity shareholders (₹ in '000s)</b>	<b>13,55,401</b>	<b>29,65,561</b>
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES		
Number of Equity Shares outstanding at the beginning of the year	36,81,81,820	35,00,00,000
Shares issued during the year	-	1,81,81,820
Total Number of Equity Shares outstanding at the end of the year	36,81,81,820	36,81,81,820
Weighted average number of Equity Shares outstanding during the year	36,81,81,820	35,08,46,824
Add: Effect of dilutive issues of options and shares application pending allotment	NA	NA
<b>Diluted weighted average number of Equity Shares outstanding during the year</b>	<b>36,81,81,820</b>	<b>35,08,46,824</b>
<b>Nominal Value Per Share</b>	<b>₹ 10.00</b>	<b>₹ 10.00</b>
<b>Basic Earnings Per Share</b>	<b>3.68</b>	<b>8.45</b>
<b>Diluted Earnings Per Share</b>	<b>3.68</b>	<b>8.45</b>

## 20. Related Party Disclosure

As per the Accounting Standard (AS) 18 on 'Related Party Disclosures' the related parties of the company 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. Rajiv Kumar (MD & CEO)

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

NIL

**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	
Details of transactions with Related Parties				
Premium Income(Rendering of Services)	2018-19	15,058	-	8
	2017-18	14,774	-	8
Reinsurance Premium Payment	2018-19	-	4,77,289	-
	2017-18	-	4,26,525	-
Share Capital	2018-19	-	-	-
	2017-18	-	1,36,364	-
Share Premium	2018-19	-	-	-
	2017-18	-	6,13,636	-
Claim Payment	2018-19	4,282	-	-
	2017-18	7,801	-	-
Reinsurance Claim Recovery	2018-19	-	1,48,914	-
	2017-18	-	3,41,894	-
Commission Payout	2018-19	1,75,334	-	-
	2017-18	1,70,414	-	-
Commission Recovered/Recoverable	2018-19	-	32,308	-
	2017-18	-	35,438	-
Other Expenditure	2018-19	13,079	4,910	-
	2017-18	8,225	2,763	-
Balances with related parties as at March 31st, 2019 are as under:				
Nature of 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#	2018-19	10,50,000	12,74,432	-
	2017-18	10,50,000	10,46,364	-
Share Premium	2018-19	-	14,71,636	-
	2017-18	-	14,71,636	-
Premium Payable	2018-19	-	1,83,846	-
	2017-18	-	1,89,384	-
Commission Payable	2018-19	20,967	-	-
	2017-18	20,313	-	-

Balances with related parties as at March 31st, 2019 are as under:				
Nature of 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	
Claim Payable	2018-19	16,515	-	-
	2017-18	15,434	-	-
<b>Assets</b>				
Bank Balance	2018-19	1,40,000	-	-
	2017-18	2,95,898	-	-
Commission Recoverable	2018-19	-	15,716	-
	2017-18	-	19,028	-
Reinsurance claim recoverable	2018-19	-	1,02,790	-
	2017-18	-	1,53,787	-

\* Key Management personnel have been reported in accordance with the disclosure requirements of Accounting Standard 18 –Related Party Transactions and do not include Key Management Personnel as defined under Companies Act, 2013.

# Karnataka Bank Limited has transferred 2,28,06,818 number of Equity Shares to Sompo Japan Nipponkoa Insurance Inc. on December 17, 2018 and 76,02,272 number of Equity Shares to Dabur Investment Corporation on January 28, 2019.

21. In accordance with direction of IRDAI circular no. IRDA/F&A/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, 2019 is shown as under. The company has not appropriated / written back the unclaimed amount of policyholders.

(₹ in 000's)

Particulars	Year	Total Amount	0-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 Months	36-120 Months
Claims settled but not paid to the policyholders / beneficiaries due to any reasons except under litigation from the policy-holders/ beneficiaries	2018-19	-	-	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-	-	-
Sum due to policyholders/beneficiaries on maturity or other wise	2018-19	-	-	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-	-	-
Any excess collection of the premium / tax or any other charges which is refundable to the policy holders/ beneficiaries 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.	2018-19	-	-	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-	-	-
Cheque Issued but not encashed by the policy holder / beneficiaries.	2018-19	39,079	4,740	5,940	5,904	3,435	3,002	2,651	13,407
	2017-18	38,886	8,925	6,579	6,235	4,503	1,595	1,700	9,349

Note-Above excludes an amount of ₹ 1,46,455 thousand (previous year Regular ₹ 1,42,650 thousands) under ageing 1-3 months in respect of cheques issued but not encashed by the policyholders.



## 22. Unclaimed Amount due to policyholder's

(₹ in 000's)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening Balance of Unclaimed Amount	38,886	28,350
Add: Amount transferred to unclaimed amount	36,354	45,321
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders	2,208	7,160
Add: Investment Income credited to unclaimed amount	1,823	1,889
Less: Amount paid during the year (Including Interest paid)	40,192	43,834
Less: Amount transferred to SCWF	-	-
<b>Closing Balance of Unclaimed Amount</b>	<b>39,079</b>	<b>38,886</b>

## 23. 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, 2019	Year Ended March 31, 2018
Provident Fund	21,354	20,086

#### 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, 2019	Year Ended March 31, 2018
National Pension Scheme	2,015	1,508

### 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, 2019	Year Ended March 31, 2018
Discount rate	7.70%	7.50%
Salary Escalation	5.00%	5.00%
Attrition rate	14.00%	13.00%
Expected return on plan assets	7.70%	7.50%
Mortality rate Table	Indian Assured Lives Mortal- ity (2006-08) Ultimate	Indian Assured Lives Mortal- ity (2006-08) Ultimate

ii. **Change in present value of obligations**

(₹ in 000's)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Present value of obligations as at the beginning of the year	25,903	19,545
Interest cost	1,941	1,465
Current Service Cost	5,291	4,500
Past Service Cost	-	371
Benefits Paid	(4,263)	(3,362)
Actuarial loss / (gain) on obligation	(749)	3,384
Present value of obligations as at the end of the year	28,123	25,903

iii. **Changes in the Fair Value of Assets**

(₹ in 000's)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening fair value of plan assets	26,073	21,038
Expected return	1,954	1,577
Contributions paid	6,907	6,820
Benefits Paid	(4,263)	(3,362)
Actuarial gains / (losses)	(2,152)	-
Closing fair value of plan assets	28,519	26,073

iv. **Amount recognized in Balance Sheet**

(₹ in 000's)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Present value of obligations as at the end of the year	28,123	25,903
Present value of assets	28,519	26,073
Net Assets / (Liability) recognized in the Balance Sheet	396	170

v. Expenses recognized in Revenue Accounts

(₹ in 000's)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Current Service cost	5,291	4,500
Past Service Cost	-	371
Interest Cost	1,941	1,465
Expected return on plan assets	(1,954)	(1,577)
Net Actuarial (gain) / loss recognized in the year	1,384	3,384
Expenses recognized in Revenue Accounts	6,662	8,143

vi. Experience adjustments of last five years is given below

(₹ in 000's)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Defined Benefit Obligation	28,123	25,903	19,545	16,474	14,713
Plan assets	28,519	26,073	21,038	14,480	14,163
Surplus / (Deficit)	396	170	1,492	(1,994)	(550)
(Gain) / loss on Plan liabilities	425	476	(820)	656	736
Gain / (loss) on Plan Assets	(2,152)	-	2,436	-	(99)

b) Leave Encashment

i. Assumption

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Discount rate	7.70%	7.50%
Salary Escalation	5.00%	5.00%
Attrition rate	14.00%	13.00%
Expected return on plan assets	7.70%	7.50%
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, 2019	Year Ended March 31, 2018
Obligations as at the beginning of the year	17,705	13,857
Interest cost	1,327	1,039
Current Service Cost	3,651	3,533
Past Service Cost	-	-
Actuarial gain / (loss) on obligation	(824)	(724)
Benefit Paid	(4,267)	-
Projected Benefit Obligation at the end of the period	17,592	17,705

iii. Changes in the Fair Value of Assets

(₹ in 000's)		
Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening fair value of plan assets	9,350	8,677
Expected return	701	650
Contributions paid	1,382	23
Benefits Paid	-	-
Actuarial gains / (losses)	(312)	-
Closing fair value of plan assets	11,121	9,350

iv. Amount recognized in Balance Sheet

(₹ in 000's)		
Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Present value of obligations as at the end of the year	17,592	17,704
Present value of assets	11,121	9,350
Net Liability recognized in the Balance Sheet	6,471	8,354

v. Expenses recognized in Revenue Accounts

(₹ in 000's)		
Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Current Service cost	3,652	3,533
Interest Cost	1,327	1,038
Expected return on plan assets	(701)	(650)
Net Actuarial (gain) / loss recognized in the year	(511)	(724)
Expenses to be recognized in Revenue Accounts	3,767	3,197

24. Outsourcing, business development and marketing support expenses

(₹ in 000's)		
Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Outsourcing expenses	3,77,628	5,52,109
Business development	5,41,613	9,54,007
Marketing support	2,70,889	2,51,059

25. 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, 2019. 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.

26. 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.

**27.** Disclosures of various penal actions taken by various Government Authorities.

Sr No.	Authority	Year	Non-Compliance/ Violation	(₹ in 000's)		
				Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority of India	2018-19	-	-	-	-
		2017-18	-	-	-	-
2	Service Tax Authorities	2018-19	-	-	-	-
		2017-18	-	-	-	-
3	Income Tax Authorities	2018-19	-	-	-	-
		2017-18	-	-	-	-
4	Any other Tax Authorities	2018-19	-	-	-	-
		2017-18	-	-	-	-
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	2018-19	-	-	-	-
		2017-18	-	-	-	-
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies 1956	2018-19	-	-	-	-
		2017-18	-	-	-	-
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	2018-19	-	-	-	-
		2017-18	-	-	-	-
8	Securities and Exchange Board of India	2018-19	NA	NA	NA	NA
		2017-18	NA	NA	NA	NA
9	Competition Commission of India	2018-19	-	-	-	-
		2017-18	-	-	-	-
10	Any other Central/State/Local Government / Statutory Authority – Professional Tax Penalty	2018-19	-	-	-	-
		2017-18	1	12	12	-

- 28.** 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).
- 29.** 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, 2019, the Company did not have any outstanding derivative contracts.
- 30.** For the year ended March 31st 2019, the Company is not required to transfer any amount into the Investor Education and Protection Fund and Senior Citizen Welfare Fund.



### 31. Corporate Social Responsibility (CSR)

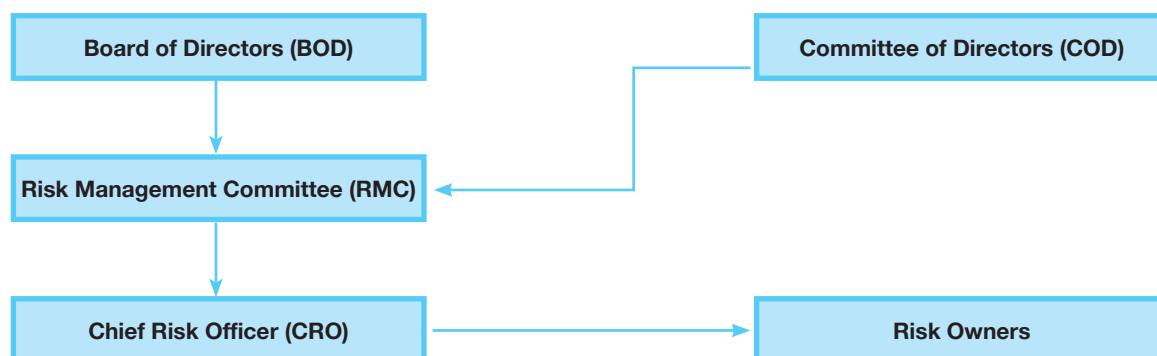
In accordance with the provision of the Section 135 of the Companies Act, 2013 and the rules framed thereunder, the Company is required to spend on account of Corporate Social Responsibility (CSR) activities of ₹ 34,718 thousands (previous year ₹ 7,963 thousands) during the year ended March 2019. In these regards, the Company has actually spent during the year an amount of ₹ 10,077 thousands (previous year ₹ 7,980 thousands) on Corporate Social Responsibility (CSR) activities as approved by CSR Committee of the Board.

(₹ in 000's)

Particulars	Year	In cash	Yet to be paid in cash	Total
Construction / acquisition of any assets	2018-19	-	-	-
	2017-18	-	-	-
On purpose other than above (Others)	2018-19	10,077	-	10,077
	2017-18	7,980	-	7,980

### 32. 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 Chairman, the Managing Director and one Non-Executive Director. The 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.

### 33. No. of Claims intimated, disposed-off and pending with details of duration.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
No. of Claims intimated during the period	1,57,557	1,20,806
No. of Claims disposed-off during the period	1,53,921	1,18,356
No. of Claims pending during the period	11,199	9,689

Period	No. of Claims Disposed Off		No. of Outstanding Claims	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Upto 30 days	1,28,855	81,786	3,305	3,172
31 days to 6 months	24,245	35,877	1,998	1,685
6 months to 1 year	789	669	1,153	1,398
1 year to 5 years	32	24	3,764	2,823

Period	No. of Claims Disposed Off		No. of Outstanding Claims	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
5 years and above	-	-	979	611
<b>Total</b>	<b>1,53,921</b>	<b>1,18,356</b>	<b>11,199</b>	<b>9,689</b>

34. 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 Persons of the company are as under:

(₹ in 000's)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salary & Allowances including incentives	32,424	20,132
National Pension Scheme	502	159
Provident Fund	1,127	673
Perquisites	-	-

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

35. All Pecuniary relationships or transactions of the Non-executive directors are shown under note no 20 as stated in above points.

#### 36. Share Capital and Share Premium

The Company has not allotted any equity shares during the year ended March 31st, 2019. However, in previous year 1,81,81,820 equity shares of face value of ₹ 10/- per share amounting to ₹ 1,81,818 thousands were allotted at a premium of ₹ 45/- per shares. As per the IRDAI reference no. 207/F&A(NL)/GUS/TOS/01/2017-18 dated March 1st, 2018 the share issue expenses are charged to the shareholder's funds account.

Further, during the year ended March 31, 2019, Karnataka Bank Limited has transferred 2,28,06,818 number of Equity Shares to Sompo Japan Nipponkoa Insurance Inc and 76,02,272 number of Equity Shares to Dabur Investment Corporation.

#### 37. Solvency Margin

(₹ in 000's)

Solvency Margin	As At March 31, 2019	As At March 31, 2018
Required Solvency margin under IRDAI Regulations (A)	39,25,726	32,06,217
Available solvency margin (B)	87,79,429	73,88,612
Solvency ratio actual (times) (B/A)	2.24	2.30
Solvency ratio prescribed by Regulation	1.50	1.50

#### 38. Disclosures on other work given to Statutory Auditors

Pursuant to clause 7.1 (i) of the Corporate Governance Guidelines issued by the IRDAI on May 18, 2016 the additional work entrusted to the Statutory Auditors is given below:

(₹ in 000's)

Services Rendered	For the year ended March 31, 2019	For the year ended March 31, 2018
Tax Audit	550	450
Trust Audit	100	100
GST Audit	750	-

(₹ in 000's)

Services Rendered	For the year ended March 31, 2019	For the year ended March 31, 2018
Certification	-	100
System Audit Fees	1,500	-

39. Previous year's figures have been regrouped, rearranged wherever possible and wherever necessary to make them comparable with those of the current year. The details of the changes are as under:

(₹ in 000's)

Sr. No.	Regrouped from	Regrouped to	Period	Amount	Reason
1	Sch-8 Other Approved securities in Long Term Investment	Sch - 8 Debenture and Bonds under Other than Approved Investment in Long Term Investment	March 2018	31,410	The values of Sch - 8 Other Approved Securities and Debenture and Bonds under Other than Approved Investment has been interchanged under Long Term Investment heading, and now same has been reclassified in designate head.
2	Sch - 8 Debenture and Bonds under Other than Approved Investment in Long Term Investment	Sch - 8 Other Approved Securities in Long Term Investment	March 2018	2,848	
3	Sch-8A Other Approved Securities in Long Term Investment	Sch - 8A Debenture and Bonds under Other than Approved Investment in Long Term Investment	March 2018	78,790	The values of Sch - 8A Other Approved Securities and Debenture and Bonds under Other than Approved Investment has been interchanged under Long Term Investment heading, and now same has been reclassified in designate head.
4	Sch - 8A Debenture and Bonds under Other than Approved Investment in Long Term Investment	Sch - 8A Other Approved Securities in Long Term Investment	March 2018	7,145	

40. Summary of Financial Statements

Sr. No.	Particulars	2018-19 (₹ in Lakhs)	2017-18 (₹ in Lakhs)	2016-17 (₹ in Lakhs)	2015-16 (₹ in Lakhs)	2014-15 (₹ in Lakhs)
	<b>OPERATING RESULTS</b>					
1	Gross Direct Premiums	283,087	231,086	128,723	90,379	70,111
2	Net Earned Premium #	124,906	119,729	66,245	53,056	45,623
3	Income from Investments (net) @	14,182	10,082	8,919	7,182	7,197
4	Other Income (Pls Specific)					
	Others - Miscellaneous Income	153	102	120	218	793
5	<b>Total Income</b>	<b>139,241</b>	<b>129,913</b>	<b>75,284</b>	<b>60,456</b>	<b>53,613</b>
6	Commissions (Net) (Including Brokerage)	6,642	(5,394)	(146)	707	1,666
7	Operating Expenses	26,034	28,753	23,051	20,370	17,788
8	Net Incurred Claims	87,967	67,403	46,975	37,561	33,710
9	Change in Unexpired Risk Reserve	(9,877)	(17,907)	(272)	(3,884)	(4,602)
10	<b>Operating Profit / (Loss)</b>	<b>18,598</b>	<b>39,151</b>	<b>5,404</b>	<b>1,818</b>	<b>449</b>
	<b>NON-OPERATING RESULTS</b>					
11	Total Income under shareholders' account	2,073	3,807	(360)	2,385	2,369
12	Profit / (Loss) before tax	20,671	42,958	5,044	4,203	2,818
13	Provision for tax	7,117	13,302	146	(163)	938
14	Profit / (Loss) after tax	13,554	29,656	4,898	4,366	1,880
	<b>MISCELLANEOUS</b>					
15	Policyholders' Account :					
	Total Funds	194,879	153,732	143,151	-	-
	Total Investments	194,879	153,732	143,151	-	-
	Yield on Investments	6.99%	8.07%	9.02%	-	-
16	Shareholders' Account:					
	Total Funds	88,565	75,011	35,355	30,457	26,091
	Total Investments	39,520	61,286	19,226	108,637	103,570
	Yield on Investments	6.99%	8.07%	9.02%	8.51%	9.49%
17	Paid up equity capital (including share premium)	53,580	53,580	43,580	43,580	43,580
18	Net Worth	88,565	75,011	35,355	30,457	26,091
19	Total Assets	88,736	74,812	43,550	43,329	44,013
20	Yield on Total Investments	6.99%	8.07%	9.02%	8.51%	9.49%
21	Earnings per share (₹)					
	Basic	3.68	8.45	1.40	1.25	0.54
	Diluted	3.68	8.45	1.40	1.25	0.54
22	Book Value per share (₹)	24.05	20.37	10.10	8.70	7.45
23	Total Dividend	-	-	-	-	-
24	Dividend per share (₹)	-	-	-	-	-

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

# Net of reinsurance

@ Net of Losses

41a. RATIOS FOR NON-LIFE COMPANIES

Sr. No.	Performance Ratio	Basis	Ratios as at March 31, 2019				Ratios as at March 31, 2018			
			Fire	Marine	Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
1	Gross Direct Premium Growth rate *	(GDPI (CY)- GDPI(PY))/ GDPI (PY)								
a	Indian Operations		3.33%	-20.31%	24.21%	22.50%	8.27%	0.31%	89.29%	79.52%
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	0.17	0.02	3.01	3.20	0.19	0.03	2.86	3.08
3	Growth rate of Networth	[(Net worth of CY – Net worth of PY)] / Net Worth - PY				18.07%				112.16%
4	Net Retention ratio *	Net Premium / (Gross Direct Premium Income + Reinsurance Accepted)								
a	Indian Operations		44.11%	28.37%	47.89%	47.57%	45.91%	30.89%	60.70%	59.49%
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		14.27%	-15.01%	4.52%	4.93%	11.45%	-15.52%	-4.64%	-3.92%
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	15.66%	11.40%	12.99%	13.11%	16.07%	9.81%	16.09%	16.03%
7	Expenses of Management to Net Written Premium Ratio	Expenses of Management/ NWPI	34.99%	40.19%	27.11%	27.54%	34.49%	31.75%	26.50%	26.91%
8	Net Incurred Claims to Net Earned Premium	Net Incurred Claims / Net Earned Premium	35.61%	89.97%	72.05%	70.43%	29.01%	103.18%	57.48%	56.30%
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		64.10%	90.83%	96.13%	94.64%	55.11%	102.27%	74.06%	73.25%
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	1.97	0.90	1.12	1.16	1.72	0.82	1.19	0.79
11	Underwriting balance ratio	(Underwriting profit/ loss)/ Net Earned premium	0.32	0.09	0.02	0.03	0.42	(0.02)	0.23	0.24
12	Operating profit ratio	Underwriting profit / Loss + Investment Income of policy holders' funds / Net Earned premium	55.45%	17.81%	12.88%	14.89%	57.96%	3.57%	31.53%	32.70%
13	Liquid Assets to Liabilities ratio	Liquid Assets/ Policyholders liabilities				0.46				0.45
14	Net Earnings ratio	Net profit after tax / Net premium				10.06%				21.55%
15	Return on Net worth	Net profit after tax / Networth				15.30%				39.53%
16	Available Solvency Margin Ratio to Required Solvency Margin Ratio					2.24				2.30
17	NPA Ratio (Net)					1.47%				-

\* Kindly refer to the Note 41b for Segment wise reporting of these ratios

For V. K. Jindal & Co.  
Chartered Accountants

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

For Rajendra K. Goel & Co.  
Chartered Accountants

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

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/-  
Ram Niwas Jain  
Director  
DIN no.00671720

Sd/-  
Sanjay Makwana  
Chief Financial Officer  
Membership no. 120012

Sd/-  
Chetna Vasani  
Company Secretary  
Membership no. A31992

Place: Mumbai  
Date: May 3rd, 2019



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

Sr. No.	Performance Ratio	Basis	Ratios as at March 31, 2019		Ratios as at March 31, 2018	
			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		3.33%	0.00%	8.27%	0.00%
	Marine Cargo		-21.66%	0.00%	8.23%	0.00%
	Marine Hull		-14.24%	0.00%	-24.58%	0.00%
	Motor OD		-4.12%	0.00%	45.90%	0.00%
	Motor TP		20.98%	0.00%	91.29%	0.00%
	Workmen's Compensation		-54.61%	0.00%	42.88%	0.00%
	Personal Accident		-35.17%	0.00%	183.49%	0.00%
	Health Insurance		33.95%	0.00%	10.96%	0.00%
	Liability		80.46%	0.00%	9.72%	0.00%
	Engineering		-22.54%	0.00%	49.96%	0.00%
	Aviation		-100.00%	0.00%	-77.78%	0.00%
	Trade Credit		0.00%	0.00%	-100.00%	0.00%
	Crop		37.67%	0.00%	126.45%	0.00%
	Others		-13.46%	0.00%	15.34%	0.00%
	<b>Total</b>		<b>22.50%</b>	<b>0.00%</b>	<b>79.52%</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		44.11%	0.00%	45.91%	0.00%
	Marine Cargo		39.45%	0.00%	33.65%	0.00%
	Marine Hull		-17.28%	0.00%	18.46%	0.00%
	Motor OD		92.47%	0.00%	94.44%	0.00%
	Motor TP		92.70%	0.00%	94.56%	0.00%
	Workmen's Compensation		93.64%	0.00%	86.73%	0.00%
	Personal Accident		72.17%	0.00%	82.48%	0.00%
	Health Insurance		92.83%	0.00%	91.22%	0.00%
	Liability		56.94%	0.00%	61.94%	0.00%
	Engineering		31.19%	0.00%	37.25%	0.00%
	Aviation		0.00%	0.00%	0.00%	0.00%
	Trade Credit		0.00%	0.00%	0.00%	0.00%
	Crop		24.45%	0.00%	38.56%	0.00%
	Others		76.65%	0.00%	80.36%	0.00%
	<b>Total</b>		<b>47.57%</b>	<b>0.00%</b>	<b>59.49%</b>	<b>0.00%</b>
<b>3</b>	<b>Net Commission ratio (Segment Wise)</b>	<b>Net Commission / Net Written Premium</b>				
	Fire		14.27%	0.00%	11.45%	0.00%
	Marine Cargo		-6.19%	0.00%	-11.78%	0.00%
	Marine Hull		67.89%	0.00%	-46.19%	0.00%
	Motor OD		21.16%	0.00%	13.00%	0.00%
	Motor TP		-0.09%	0.00%	-0.04%	0.00%
	Workmen's Compensation		10.16%	0.00%	5.10%	0.00%
	Personal Accident		4.53%	0.00%	1.53%	0.00%
	Health Insurance		11.76%	0.00%	10.61%	0.00%
	Liability		7.17%	0.00%	7.69%	0.00%
	Engineering		-12.58%	0.00%	-24.95%	0.00%
	Aviation		0.00%	0.00%	0.00%	0.00%
	Trade Credit		0.00%	0.00%	0.00%	0.00%
	Crop		-6.72%	0.00%	-24.64%	0.00%
	Others		14.92%	0.00%	11.64%	0.00%
	<b>Total</b>		<b>4.93%</b>	<b>0.00%</b>	<b>-3.92%</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, 2019

	(₹ in 000's)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Premium received from policyholders, including advance receipts (including GST)	29,782,330	22,878,201
Other receipts	-	4,986
Receipt / payments from / to re-insurers, net of commissions and claims (including GST)	(7,675,330)	(1,274,648)
Receipt / payments from / to Co-insurers, net of claims recovery	(1,661)	(70,786)
Payments of claims (net of salvage)	(14,669,751)	(12,082,740)
Payments of commission and brokerage (including GST)	(1,197,116)	(823,826)
Payments of other operating expenses	(3,732,767)	(3,947,377)
Preliminary and pre-operative expenses	-	-
Deposits, advances and staff loans	(6,698)	36,467
Income tax paid (net)	(651,727)	776,136
GST Paid (net)	(2,107,539)	(1,826,737)
Expenditure on CSR activities	(10,077)	(7,980)
Cash flows before extraordinary items	(270,336)	3,661,696
Cash flows from extraordinary items	-	-
<b>Net cash from Operating activities</b>	<b>(270,336)</b>	<b>3,661,696</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(93,782)	(217,605)
Proceeds from sale of fixed assets	351	-
Purchases of investments	(11,419,813)	(16,277,241)
Loans disbursed	-	-
Sales of investments	9,189,056	9,180,415
Repayments received	-	-
Rents / Interests / Dividends received	1,666,081	1,130,124
Investments in money market instruments and in liquid mutual funds (net)	496,052	1,699,153
Expenses related to investments	(380)	(317)
Time Deposits placed with Scheduled Banks (net)	(369,900)	386,100
Advances given for fixed assets	28,419	(44,745)
<b>Net cash used in Investing activities</b>	<b>(503,916)</b>	<b>(4,144,116)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital (including share premium)	-	1,000,000
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest / dividends paid	-	-
<b>Net cash from Financing activities</b>	<b>-</b>	<b>1,000,000</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>(774,252)</b>	<b>517,580</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>1,374,170</b>	<b>856,590</b>
<b>Cash and cash equivalents at the end of year</b>	<b>599,918</b>	<b>1,374,170</b>

As per our attached report of even date.

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

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

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

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

**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/-  
**Ram Niwas Jain**  
Director  
DIN no.00671720

Sd/-  
**Sanjay Makwana**  
Chief Financial Officer  
Membership no. 120012

Sd/-  
**Chetna Vasani**  
Company Secretary  
Membership no. A31992

**Place:** Mumbai  
**Date:** May 3rd, 2019

## NOTES

## NOTES

[illegible]

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

Presents K Bank Health Care Plus - A Perfect Health Insurance Policy



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

- 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 K Bank a/c.
- Option to cover 2 Dependent Parents.
- Income Tax Benefit u/s 80(D) of IT Act.

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

—| Brought to you by |—



—| In association with |—



**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.





## A joint venture of

- Allahabad Bank • Indian Overseas Bank • Karnataka Bank Ltd.
- Dabur Investment Corp. • Sampo Japan Nipponkoa Insurance Inc.

**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)