

44th ANNUAL REPORT 2015-16

Reinsurance strengths that go beyond boundaries.

GIC Re. The National Reinsurer of India.

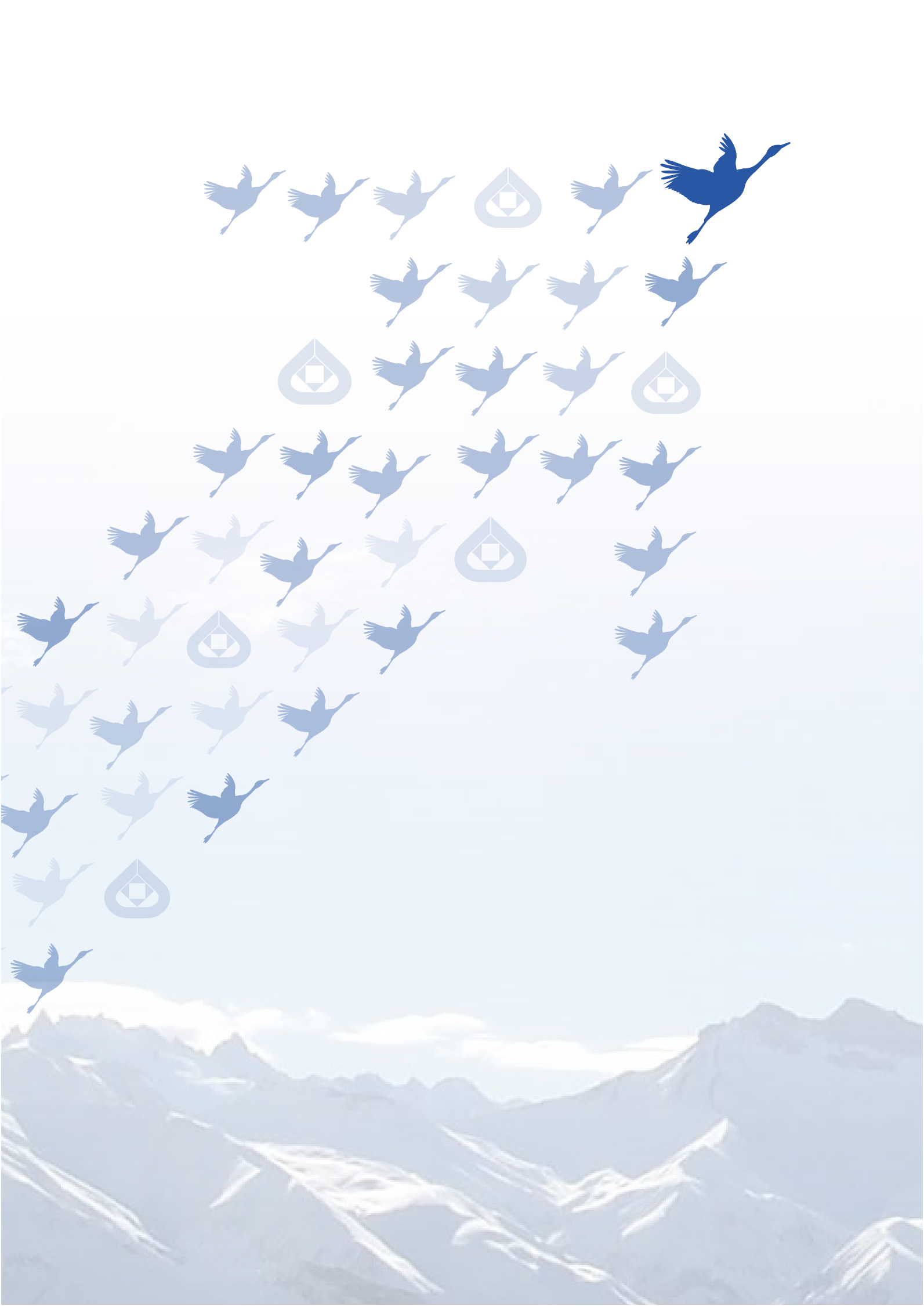


आपत्काले रक्षिष्यामि

GIC Re

भारतीय साधारण बीमा निगम

General Insurance Corporation of India



VISION

“To be a leading global reinsurance and risk solution provider”

Mission

To achieve our vision by:

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

Core Values

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

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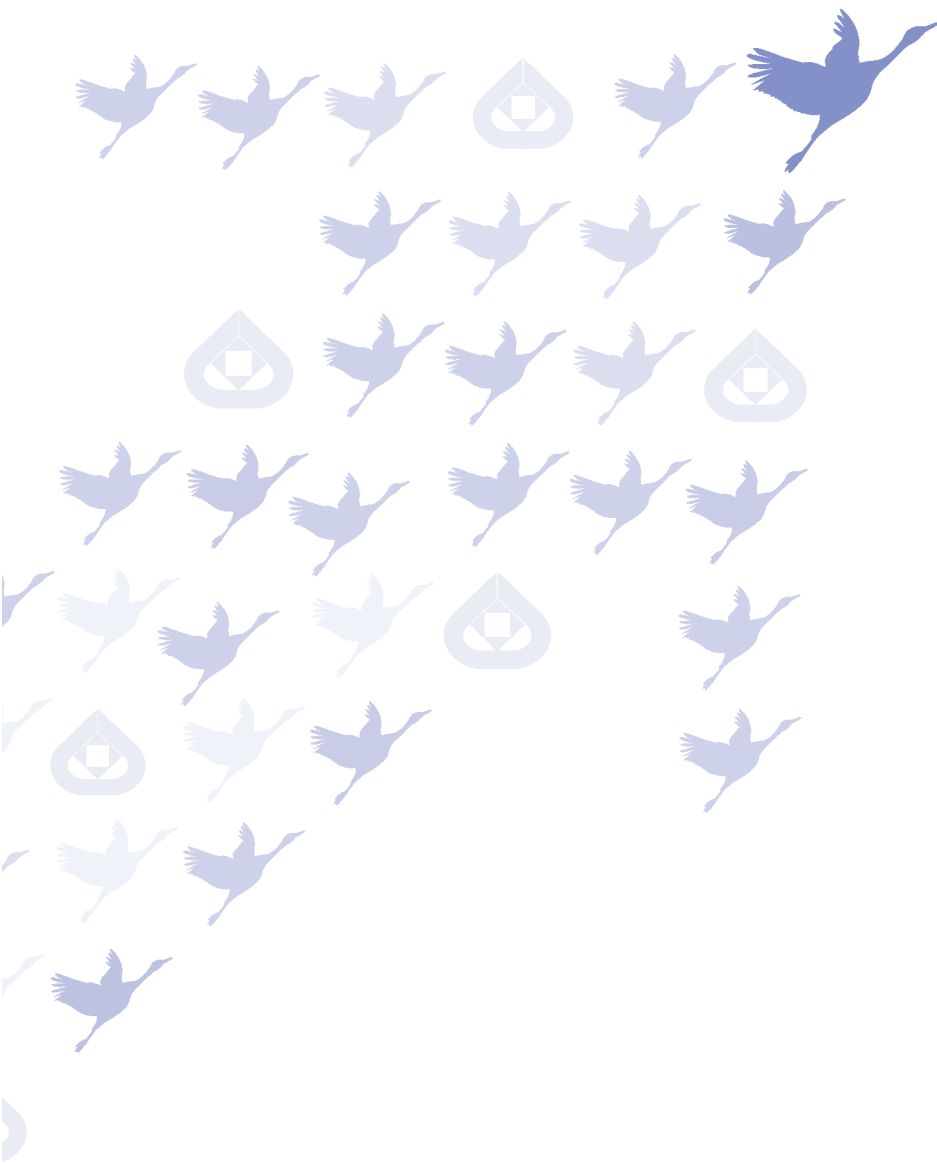
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Reinsurance strengths that go beyond boundaries.

GIC Re. The global face of Indian reinsurance.



Gross Premium

(₹ in crore)

₹ 18,436 2015-16 | ₹ 15,184 2014-15



Net Worth

(with fair value change account)

(₹ in crore)

₹ 38,281 2015-16 | ₹ 41,148 2014-15



Total Assets

(₹ in crore)

₹ 79,554 2015-16 | ₹ 78,093 2014-15



Global Ranking (2016)

14th among Top 50 Reinsurance Groups
(A M Best Company)



Rating

A - (Excellent) by AM Best Company for
financial strength

"AAA (In)" by Indian Rating Agency CARE
for claims paying ability



Global Footprints

- Subsidiary: GIC Re SA Ltd, Johannesburg, South Africa; GIC Re, India, Corporate Member Ltd., London, UK
- Joint Venture: Kenya, Singapore, Bhutan
- Branches: Dubai, London, Kuala Lumpur
- Representative Office: Moscow.

General Insurance Corporation of India भारतीय साधारण बीमा निगम

Global Reinsurance Solutions

"Suraksha", 170, Jamshedji Tata Road, Churchgate, Mumbai 400020, India.
Telephone (Board): +91 22 2286 7000 Email: info@gicofindia.com

CIN : U67200MH1972GOI016133 & IRDA Registration No: 112

visit us at www.gicofindia.in

DIRECTORS

Smt. Alice G. Vaidyan
Shri K. Sanath Kumar
Shri A. K. Roy
Smt. Snehlata Shrivastava
Shri Arun Tiwari
Smt. Usha Sangwan
Shri Gopalan Srinivasan
Dr A. K. Saxena
Shri Doulat Raj Mohnot
Shri G. C. Gaylong

Chairman cum Managing Director w.e.f. 25.01.2016
From 31.07.2015 upto 18.02.2016
Upto 31.07.2015

w.e.f. 06.04.2016
Upto 30.03.2016
w.e.f. 07.06.2016 upto 30.6.2016
Upto 03.01.2016
w.e.f. 27.01.2016

MANAGEMENT

Chairman cum Managing Director

Shri A. K. Roy
Shri K. Sanath Kumar
Smt. Alice G. Vaidyan
Shri G. C. Gaylong

upto 31.07.2015
w.e.f. 01.08.2015 to 24.01.2016 (Acting CMD)
w.e.f. 25.01.2016

Director & General Manager

General Managers

Shri Y. Ramulu
Shri R. K. Deka
Shri P. Dutta
Shri B. Balachandra

upto 31.01.2016
upto 31.03.2016
upto 28.01.2016
(Deputation to IDBI Trusteeship Services Limited)
w.e.f. 10.08.2015
w.e.f. 10.08.2015
w.e.f. 10.08.2015
w.e.f. 10.08.2015

Chief Vigilance Officer

Deputy General Managers

Shri Ravi Chaudhary
Shri P N Gandhi

Upto 09.08.2015 (Transferred to Oriental Insurance Co. Limited as General Manager)

Smt. Reena Bhatnagar
Shri D.T. V. Sastri
Shri V. C. Jain
Shri Sushil Kumar
Shri J. M. Gajendragadkar
Shri Deepak Prasad

upto 01.04.2016
(Deputation to GIC Re South Africa Ltd. w.e.f. 01.04.2016)
Upto 30.10.2015

Shri Farrukh Shah
Shri A. K. Agarwal
Smt. Lakshmikala Raghupathy
Shri Anil Sant
Smt. Madhulika Bhaskar
Shri Deepak Godbole
Shri Devesh Shrivastava
Shri S. N. More
Shri Charles G. Ashirvatham
Smt. Suchita Gupta
Smt. Girija Subramanian
Shri Satyajit Tripathy

Upto 30.04.2015

w.e.f. 17.08.2015
w.e.f. 17.08.2015
w.e.f. 17.08.2015
w.e.f. 17.08.2015

Company Secretary Statutory Auditors

Smt. Suchita Gupta
M/s GBCA & Associate
Chartered Accountants
Benefice Business House,
III level, 126 Mathuradas Mills
Compound N.M Joshi Marg,
Lower Parel (w),
Mumbai-400 013.

M/s. Samria & Co.
Chartered Accountants
2E, Court Chambers, 35,
New Marine Lines
Behind Aayakar Bhavan
Mumbai-400020

Secretarial Auditor

SVVS & Associates, Company Secretaries LLP
A- 403, Kukreja Centre,
Sector 11, CBD Belapur,
Navi Mumbai 400614

Registered Office

"Suraksha", 170, J. T. Road,
Churchgate, Mumbai 400020

CIN

U67200MH1972GOI016133

IRDAI Registration No.

112

Sr.No.	Date and Year	Event
1	22 nd November 1972	General Insurance Corporation of India was formed in the pursuance of section 9(1) of GIBNA Act and also under the Companies Act 1956 as Private Company limited by Shares.
2	1 st January 1973	The general insurance business in India was nationalized, 107 general insurance companies was merged and GIC of India was formed as the holding Company with four subsidiaries viz, The New India Assurance Co. Ltd., National Insurance Co. Ltd., Oriental Insurance Co. Ltd. and United India Insurance Co. Ltd.
3	1 st January 1978	Loss Prevention Association of India was formed by GIC and its 4 subsidiaries.
4	6 th December 1978	Kenindia Assurance Company Ltd, was incorporated by merging branch operations of subsidiaries of GIC and LIC operating in Kenya
5	1 st January 1988	India International Insurance Pte. Ltd. was set up as a locally incorporated wholly owned subsidiary Company of GIC and four Public Sector Insurance Companies in Singapore.
6	12 th December 1989	GIC Housing Finance Co. Ltd was set up by GIC of India and the four Public Sector Insurance Companies.
7	25 th May 1993	GIC Asset Management Co. Ltd was set up by GIC of India and the four Public Sector Insurance Companies.
8	19 th April 2000	Insurance Regulatory & Development Authority (IRDA) was formed
9	3 rd November 2000	GIC notified as "Indian Reinsurer"
10	June 2001	London representative office set up
11	April 2002	Moscow representative office set up
12	20 th December 2002	Agricultural Insurance Company of India was set up by GIC Re, the 4 PSU Companies and NABARD
13	April 2003	Life Reinsurance started its Underwriting activities.
14	1 st April 2002	GIC Re appointed as managers to the Terrorism Insurance Pool
15	7 th August 2002	GIBNA Act Amended
16	21 st March 2003	GIC Re ceased to be holding Company
17	April 2005	Dubai representative office set up
18	February 2006	SAP went live.
19	27 th April 2006	Loss Prevention Association of India was amalgamated with GIC Re
20	1 st January 2007	Dubai representative office was upgraded to a Branch office
21	1 st April 2007	GIC Re was appointed as managers to Motor Third Party Pool
22	1 st January 2008	London representative office was upgraded to branch office and commenced its operations.
23	19 th June 2008	Signing of Co-operation Agreement with Hannover Re for Life Re Business.
24	10 th October 2008	Retakaful reinsurance
25	16 th October 2008	GIC Re mandated to form Nat Cat Pool for Afro Asian Region.
26	16 th January 2009	GIC Re registered as Eventual Reinsurer in Brazil
27	11 th November 2010	GIC Re Malaysia Branch start functioning.
28	20 th September 2011	Launch of e-Thru platform by Mr. J. Harinarayan, Chairman, IRDA
29	19 th October 2011	GIC Re won the Marine Insurance Award at Seatrade Middle East and Indian Subcontinent Awards 2011
30	5 th July 2012	GIC Re entered into a joint venture agreement for setting up the 1 st Reinsurance Company in Bhutan.
31	26 th November 2012	GIC Re won the Marine Insurance Award second time in a row, at Seatrade Middle East and Indian Subcontinent Awards 2012.
32	5 th September 2013	The joint venture Reinsurance Company in Bhutan-GIC Bhutan Re Ltd. became operational
33	19 th September 2013	GIC Re appointed as Managers of FAIR NATCAT Reinsurance Pool at Beijing, China
34	11 th August 2014	GIC Re South Africa Ltd., the Wholly owned subsidiary of GIC Re in South Africa established.
35	12 th June 2015	India Nuclear Insurance Pool launched
36	29 th January 2016	GIC Re, India, Corporate Member Limited, the wholly owned subsidiary of GIC Re in UK established
37	4 th February 2016	GIC Re converted into 'Public Limited Company'.



BOARD OF DIRECTORS

(Left to Right): Mr. Arun Tiwari
Mrs. Usha Sangwan
Mrs. Alice G. Vaidyan
Dr. A. K. Saxena
Mr. G. C. Gaylong



Mrs. Alice G Vaidyan, *Chairman-cum- Managing Director (DIN 07394437)*

Mrs. Alice G. Vaidyan, Chairman-cum-Managing Director, GIC Re, is the first lady officer to assume the post of Chairman of the National Reinsurer. She is also the first lady CMD in the public sector Insurance industry in India (both life and non-life).

Mrs. Vaidyan was earlier CFO from 13.06.2014 till 04.09.2015 and General Manager from October 2012 till 23rd of January, 2016 when she was elevated as Chairman-cum-Managing Director of the Corporation.

Mrs. Vaidyan is also non-executive Chairman of GIC Re South Africa Limited and GIC Housing Finance Limited. She is a Member of the Council of Asian Reinsurance Corporation as well. Mrs. Vaidyan is also a Director on the Board of Life Insurance Corporation of India, ECGC Ltd., Indian Register of Shipping, Kenindia Assurance Company Limited, and Health Insurance TPA Limited.

A widely travelled (re)insurance executive with over 3 decades of experience, Mrs. Vaidyan is a well-recognised and acclaimed personality in the global reinsurance forums.

Mrs. Vaidyan belongs to the 1983 batch of direct recruit officers of Indian general insurance industry. She began her career with the public sector general insurer, The New India Assurance Company Limited in 1983.

Over the years, she worked in Thiruvananthapuram, Ahmedabad, Kochi and Mumbai offices of the Company, including the Corporate Office of New India Assurance Company Limited in various capacities. She moved to GIC Re in 2008 as Deputy General Manager (Reinsurance).

A post graduate in English literature and a Fellow of the Insurance Institute of India, Mrs. Vaidyan has also trained at the Harvard Business School, Boston. She has won several national and international awards. She is a speaker of repute in national and international conferences. Mrs. Vaidyan received the Woman in Insurance Award in 2014.

Mrs. Snehlata Shrivastava, *Secretary, Ministry of Justice (DIN 06478173)*

Mrs. Snehlata Shrivastava, Secretary, Ministry of Justice has been inducted on the Board of Directors of the Corporation.

Mrs. Shrivastava is a Post Graduate in Geography with specialization in Urban Geography and M Phil in Regional Planning and Economic Growth. She is an Indian Administrative Service (IAS) Officer of 1982 batch (Madhya Pradesh Cadre).

During her career in the IAS of more than 30 years, she has experience in the field of Finance, Telecom, Highways, Revenue, Multilateral Banks. i.e., World Bank and Asian Development Bank, Exchange Control, bilateral assistance in respect of US, Canada in Government of India.

Mrs. Shrivastava has been instrumental in framing various Regulations under FEMA when it was enacted. In the State of Madhya Pradesh, she has dealt with the sectors like education, mining, land management, power and industry including law and order related assignments as District Magistrate and Sub-Divisional Magistrate. She has been Director, Budget in the Finance Department of State of Madhya Pradesh for three years.

She joined Central Government on deputation from January 2011 as Joint Secretary, Department of Justice and dealt with higher judiciary of the Supreme Court and High Courts, judicial reforms and computerization of courts.





Mr. Arun Tiwari, *Chairman and Managing Director of Union Bank of India (DIN 05345547)*

Mr. Arun Tiwari, Chairman and Managing Director of Union Bank of India is a M.Sc in Chemistry. He has also done a course in Computer Programming. Born on 1st July, 1957 Mr. Tiwari started his career in Bank of Baroda as Probationary Officer in 1979.

Mr. Tiwari has worked in almost all key segments of Banking, in various capacities – at Branches, Zonal Office, and at Corporate Office as General Manager – MSME & Wealth Management, Whole sale Banking. His tenure in the Bank of Baroda spanned various geographies of the country and overseas centers at Kuala Lumpur and Singapore, as

Chief Executive of the respective territories. He had the privilege to set up operations at both these Centers. He also worked in CMD's Secretariat for two years.

Mr. Tiwari was Head of Corporate Financial Branch, Mumbai, the largest branch of Bank of Baroda and also headed Greater Mumbai Zone of Bank of Baroda, in the rank of General Manager.

On his elevation as Executive Director, Mr. Tiwari assumed the Office of Executive Director at Allahabad Bank from 18.06.2012 and handled the portfolios of CREDIT, Credit Monitoring, HR, IT, Risk Management, Finance & Accounts, Inspection, Vigilance and Branch Expansion & Support Services. Mr. Tiwari assumed the post of Chairman & Managing Director of Union Bank of India on the 26th December, 2013.

Under the aegis of World Bank, Mr. Tiwari did a Study Assignment in USA and Europe for export oriented Small Scale Industries in India. He has undergone training and courses at various prestigious institutes like Arthur D'Little, Boston, USA, Kellogg School of Management, Northwestern University, Chicago, Indian School of Business, Hyderabad, NIBM, Pune, Bankers' Training College, Mumbai, and Indian Institute of Technology, Mumbai, besides others.

Mrs. Usha Sangwan, *Managing Director of Life Insurance Corporation of India (DIN 02609263)*

Mrs. Usha Sangwan is the first woman Managing Director of Life Insurance Corporation of India. She holds a Master's Degree in Economics and a Post Graduate Diploma in Human Resource Management. She joined LIC as Direct Recruit Officer in 1981.

Mrs. Sangwan is the Board Member of General Insurance Corporation of India, Axis Bank, Ambuja Cements Ltd., BSE Ltd. and Voltas Limited, Chairman and Director of LIC HFL Care Homes, Director on the Board of LIC (Singapore) Pte. Ltd., LIC (Lanka) Ltd. and LIC Cards Services Ltd., Member of Governing Council of National Insurance Academy, a Trustee of LIC Golden Jubilee Foundation, a Member of Policyholder Protection Committee, Executive Committee, Risk Management Committee and Investment Committee of LIC of India.

She has worked in almost all core areas of life insurance including Marketing, Personnel, Operations, Housing Finance, Group Business, Direct Marketing, International Operations and Corporate Communications. She has held various important positions, such as Divisional Manager-Incharge of Delhi Division, Regional Manager (Personnel & Industrial Relations), Regional Manager (LIC Housing Finance), Executive Director (Direct Marketing & International Operations) and Executive Director (Corporate Communication).

Her expertise lies in analytics, strategy, execution, people skill, use of technology particularly in marketing and servicing and setting up of systems.

Achievements

- She has been featured in Forbes List of 50 most powerful Business Women in Asia in 2015
- She is also featured in Femina – Most powerful women in India
- "Women Leadership Award" in BFSI sector by Institute of Public Enterprise
- "Brand Slam Leadership Award" by CMO Asia
- "Women Leadership Role Model" by Top Rankers Management Consultants
- "CEO with HR Orientation Award" by Global HR Excellence arranged by Chartered Institute of Management Accountants
- Also felicitated by Free Press Journal, Colour TV and Doordarshan for Women in Leadership Role.





Mr. G. Srinivasan, *Chairman-cum-Managing Director, New India Assurance Company Ltd. (DIN 01876234)*

Mr G. Srinivasan, is a graduate in Commerce and Fellow of the Insurance Institute of India. He is also an Associate of the Institute of Cost & Works Accountants.

An industry veteran with over 34 years of experience, Mr Srinivasan took over as Chairman-cum-Managing Director of New India Assurance Company Ltd., in October 2012. Currently, he is also the Chairman of The General Insurers' (Public Sector)

Association of India (GIPSA).

Prior to joining New India Assurance Company Limited as CMD he was Chairman-cum-Managing Director of United India Insurance Company Limited.

Mr Srinivasan has also served as the Managing Director of The New India Assurance Co (TNT) Ltd, Trinidad, and General Manager of New India Assurance Co Ltd. Mr. Srinivasan is also the Chairman of the National Insurance Academy, Pune and the Governing Body of Insurance Council. He is also a Director on the Boards of

- GIC Housing Finance Limited, Mumbai
- The New India Assurance Co. (T&T) Ltd, Port of Spain
- Prestige Assurance Plc., Lagos, Nigeria
- India International Insurance Pte. Ltd., Singapore
- GIC Re (in his capacity as the Chairman of The General Insurers' (Public Sector) Association of India (GIPSA).

Mr. Srinivasan has presented several papers in many National and International Conferences on various topics related to Insurance.

Mr. Srinivasan has also been honoured with many awards including the Award for "ICON OF THE YEAR 2011" given by ICWAI for his contribution to the General Insurance industry; the SKOCH Award for Financial Inclusion Initiatives in 2012; CEO of the year 2013 Award in IPE BFSI Award and was awarded "CEO of the year" by 94.3 MY FM.

Mr. G. C. Gaylong, *Director & General Manager (DIN 03025591)*



Mr. G. C. Gaylong, a direct recruit officer of the 1980 batch began his career in the Indian general insurance industry with the Oriental Insurance Company Limited. A graduate in Economics and Licentiate from the Insurance Institute of India, Mr. Gaylong served as Divisional In-Charge of DO Shimla and Chandigarh in Oriental and during these postings he was associated in servicing prestigious PSU clients like, Nathpa Jhakri Hydel Project, HMT, Semiconductor Complex, Bharat Electronics, HPSEB, Panipat Thermal Plant from 2003 to 2006, he was posted as Regional In-Charge of Oriental at Chandigarh and his Region was adjudged as Best RO in the year 2005. He also headed Chandigarh Regional Office of NIC as well from September, 2010 to October 2012.

In August 2008, on his promotion as Deputy General Manager, he joined National Insurance Co. Ltd. in Head Office Marketing Department including Foreign Operations and Publicity.

He was promoted as General Manager in the year 2012 and joined as a General Manager of National Insurance on 31st October, 2012 and thereafter on his transfer, he joined GIC Re on 30th June, 2014.

At college, he was a keen sportsman and played cricket for the College XI and also won gold and silver medal for the long jump and the triple jump respectively in the inter university competition. He also represented Oriental in these two events in the first ever inter insurance co. athletic meet held at Nehru Stadium, Delhi in 1985.



Dr. A. K. Saxena, *Chairman GIPSA and Chairman-cum-Managing Director Oriental Insurance Company Ltd. (DIN 05308801)*

Dr. A. K. Saxena, was a direct recruit of 1979 batch of General Insurance Officers. Dr. Saxena completed his Bachelor of Veterinary Sciences & Animal Husbandry from Pant Nagar University in 1976. Subsequently he completed his post-graduation in Bacteriology from Rohilkhand University in 1978.

Dr. Saxena also qualified as a lawyer with a Bachelor of law degree from Rohilkhand University. He was also an Associate of the Insurance Institute of India.

From 1979 to 2000 Dr. Saxena worked with New India Assurance Company in various positions in India and abroad. Subsequently, he moved to Kenindia, Kenya as General Manager and remained there till 2004 when on moving back to India he was posted as DGM In-charge of Mumbai Regional Office of New India Assurance Co. Ltd.

In 2008 Dr. Saxena was promoted to the cadre of General Manager and in January 2008 posted to the Oriental Insurance Company Ltd. as General Manager In-charge of Marketing & Operations.

In June, 2012, Dr. Saxena took over as Chairman-cum-Managing Director of Oriental Insurance Company Limited, where he continued till his superannuation in July 2016.

Dr. Saksena was also a director on the Board of several companies during his tenure as CMD of Oriental Insurance Company Limited. These included GIC Housing Finance Ltd., Health Insurance TPA of India Ltd., NIA Pune and GIC Re.



MANAGEMENT

Seated (Left to Right): General Managers - Usha Ramaswamy, B N Narasimhan, Y. Ramulu, Director - G.C. Gaylong, Chairman-cum-Managing Director - Alice G. Vaidyan, Chief Vigilance Officer Ravi Chaudhary, D. R. Waghela, Pauly Sukumar N.

Standing (Left to Right): Deputy General Managers - V. C. Jain, J. M. Gajendragadkar, Satyajit Tripathy, Charles G. Ashirvatham, Madhulika Bhaskar, Deepak Godbole, Reena Bhatnagar, Lakshmikala Raghupathy, DTV Sastri, Girija Subramaniam, Shashikant More, Akhilesh Kumar Agarwal, Sushil Kumar, Suchita Gupta

NOTICE is hereby given that the **44th ANNUAL GENERAL MEETING** of the Members of the **GENERAL INSURANCE CORPORATION OF INDIA** will be held at the Registered Office of the Corporation at “Suraksha”, 170, J. Tata Road, Churchgate, Mumbai – 400 020, on Wednesday, the 28th September 2016 at 3.30 p.m. to transact the following :

Ordinary business

1. To consider and adopt the Financial Statements of the Corporation for the financial year ended 31st March 2016, the Consolidated Financial Statements for the said financial year and the Reports of the Board of directors and the Auditors.
2. To declare dividend on equity shares.
3. To fix the remuneration of Auditors for the year 2016-2017.

Special Business

4. Amendments to Articles of Association of the Corporation.

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force, the new set of Articles of Association submitted to this meeting in substitution, which includes clauses in compliance with Disinvestment/IPO process be and are hereby approved and adopted.”

“RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things including but not limited to making any applications, filing of any requisite forms with the Registrar of Companies, as may be necessary for the purpose of giving effect to the aforesaid resolution.”

**By the Order of the Board of Directors
For General Insurance Corporation of India**

**(Suchita Gupta)
Company Secretary**

Registered Office:

“Suraksha”, 170, J. Tata Road,
Churchgate, Mumbai – 400 020

Date: 19th September 2016

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF/ITSELF AND A PROXY NEED NOT BE A MEMBER OF THE CORPORATE. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE CORPORATION NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.

A person can act as a Proxy on behalf of Members not exceeding Fifty (50) and holding in aggregate not more than Ten percent (10%) of the total share capital of the Company. A Member holding more than Ten percent (10%) of the total share capital of the Company carrying the voting right may appoint a single person as a Proxy and such person cannot act as a Proxy for any other shareholder

2. A statement pursuant to Section 102(1) of the Companies Act 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Corporate Members intending to send their Authorized Representatives to attend the Meeting are requested to send a duly Certified Copy of Board Resolution authorizing their Representative to attend and vote at the Meeting.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT 2013

Item No.: 4

The Corporation is planning to get its shares listed at the Stock Exchange (NSE and BSE) through IPO.

In order to align with the provision related to requirements of Listing with the Stock Exchange(s), it is proposed to adopt New Set of Articles of Association in accordance with the provisions mentioned under the Companies Act 2013.

The Board of Directors of the Company on 29th June 2016, has given its approval and accorded the consent for adoption of new set of Articles of Association of the Corporation.

The Board has recommended the Resolution for Members' approval as a Special Resolution.

A copy of Articles of Association of the Corporation is available for inspection at the Registered Office of the Corporation during the normal business hours on working days.

None of the Directors, Other Key Managerial Personnels and Relatives of Directors and Key Managerial Personnels are in any way concerned or interested in the said Resolution except to the extent of their shareholding in the Corporation.

**By the Order of the Board of Directors
For General Insurance Corporation of India**

**(Suchita Gupta)
Company Secretary**

Registered Office:

"Suraksha", 170, J. Tata Road,
Churchgate, Mumbai – 400 020

Date: 19th September, 2016

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING



To The Members,

The Directors have pleasure in presenting the Forty Fourth Annual Report on the working and affairs of the Corporation and the audited statements of account for the year ended 31st March, 2016.

We wish to inform you that the Corporation has been converted into a Public Limited Company w.e.f. 04.02.2016 with the approval of President of India and members of the corporation, at the Extra-ordinary General Meeting held on 4th February 2016. The face value of Shares of the Corporation has also been reduced from ₹ 100/- per Share to ₹ 1/- per Share at the same meeting.

FINANCIAL RESULTS

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

	(₹ in crore)	
	2015-16	2014-15
1. Gross premium	18,435.81	15,183.97
2. Net Premium	16,374.78	13,857.01
3. Net Earned Premium	15,172.84	13,558.25
4. Net Incurred Claims	12,899.86	11,891.77
	85.0%	87.7%
5. Net Commission	3,490.36	2,784.25
	23.0%	20.5%
6. Operating Expenses and Other Outgo less Other Income	24.13	217.87
7. Investment Income Apportioned to Revenue less expenses	2,802.72	3,024.82
8. Premium Deficiency	-58.46	58.46
9. Total Profit/Loss (-) (3+7-4-5-6-8)	1,619.68	1,630.71
10. Investment Income apportioned to Profit & Loss A/c	1,349.79	1,228.63
11. Other Income less Other Outgo	25.75	155.51

	(₹ in crore)	
	2015-16	2014-15
12. Reserve for Doubtful Debts and for Investment including Amortisation of Investments Written off	38.71	187.62
13. Profit before Tax (9+10+11-12)	2,956.51	2,827.23
14. Income-tax Deducted at Source and Provision for tax including deferred taxes	108.12	133.51
15. Profit after Tax (13-14)	2,848.39	2,693.72
16. Balance of Profit B/F from previous year	0.08	0.09
17. Interim Dividend	-	-
18. Proposed Dividend	860.00	540.00
19. Dividend tax	175.08	109.93
20. Transferred to General Reserves	1,813.30	2,043.80
21. Balance of Profit C/F (15+16-17-18-19-20)	0.09	0.08

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

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

(Obligatory cessions from Domestic Insurance Companies reduced from 10% to 5% w.e.f. 01.04.13 vide IRDA/NL/RI/41/2012-13 date 03.03.2013)

DIVIDEND

During the year, the Directors recommended ₹ 860.00 crore at the rate of 200% as the full and final dividend on date as against ₹ 540.00 crore at the rate of 125.61% in the previous year.

CAPITAL AND FUNDS

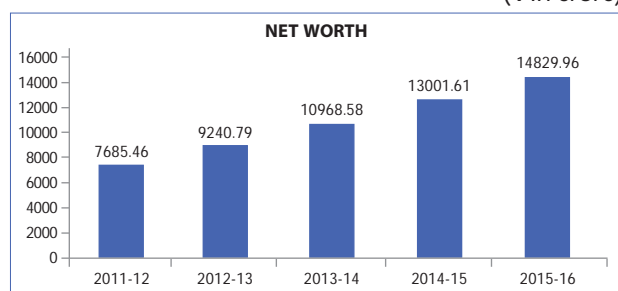
Capital and Funds of the Corporation stood at ₹ 44394.91 crore as on 31st March, 2016 as against ₹ 40019.93 crore in the previous year, the details of which are given below:

(₹ in crore)

	As on 31.03.2016	As on 31.03.2015
Shareholders' Funds (Net Worth)		
Paid up Capital	430.00	430.00
General Reserve	14,402.30	12,589.00
Profit & Loss a/c	0.09	0.08
	14,832.39	13,019.08
Less: Deferred Tax Assets	2.43	17.47
Net worth	14,829.96	13,001.61
Policyholders Fund	29,555.89	27,018.32
Total Funds	44,385.85	40,019.93

Net worth (Shareholders Funds) for the last 5 years

(₹ in crore)

**ASSETS**

Total assets of the Corporation were ₹ 79,548.75 crore (including ₹ 5547.53 crore of Terrorism pool) as on 31st March 2016 as compared to ₹ 78093.32 crore (including ₹ 4782.84 crore of Terrorism pool) as on 31st March 2015.

CONSOLIDATED FINANCIAL STATEMENT

Provisions regarding Financial Statements are laid down under Section 129 of the new Companies Act, 2013. As per the provision of Section 129 (2) of the said Act, at every Annual General Meeting of a company, the Board of Directors of the company shall lay before such meeting financial statements for the financial year. Section 129 (3) of the Companies Act, 2013 provides that where a company has one or more subsidiaries, it shall, in addition to financial statements provided under sub-section (2) of Section 129, prepare a consolidated financial statements of the company and of all the subsidiaries in the same form and manner as that of its own which shall also be laid before the Annual General Meeting of the company along with the laying of its financial statements under sub-section (2) of Section 129.

Explanation:

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

FINANCIAL RATING AND RANKING

A M Best reaffirmed the financial strength rating of "A-(Excellent)" and the issuer credit rating of "a-" of General Insurance Corporation of India (GIC Re) (India) in February 2016. The outlook for both the ratings is stable. The rating reflects GIC Re's strong risk adjusted capitalization and business profile in its domestic market.

Credit Analysis & Research Limited (CARE) reaffirmed AAA(In) claims paying ability rating of GIC Re in April 2016. This was based on strategic importance as the sole national reinsurer, good solvency position and comfortable liquidity profile.

GIC Re is ranked 14th largest international reinsurer group by A M Best based on Gross Reinsurance Premium Written in year 2014 and 18th by Standard and Poor based on Net Reinsurance Premium written in year 2014.

SOLVENCY RATIO

The Solvency Margin of the Corporation as on 31st March 2016 stood at 3.48 as against 3.04 in the previous year.

INVESTMENTS

The book value of the investment of the corporation in India (representing investment, loans & deposits) amount to ₹ 34,050.25 crore as on 31.03.2016 as against ₹ 30,694.38 crore in the previous year. The Investment Income of ₹ 4,174.99 crore were apportioned to Policy Holder & Share Holder as under:

(₹ in crore)

Apportioned to Policyholders	2,818.63
Apportioned to Shareholders	1,356.36

The mean yield on funds with profit on sale of investments stood at 12.91%. The net NPA% (Non-Performing Assets) was at 1.08%.

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (IRDAI)

The Corporation being a Reinsurance Company, its working and functions, are governed by the Insurance Regulatory and Development Authority of India (IRDAI). The Corporation's existing paid-up equity capital of ₹ 430 crore conforms to the specifications of the IRDAI. The Accounts of the Corporation are drawn up according to the stipulations prescribed in the IRDAI (Preparation of Financial Statements and Auditor's Report), Regulations, 2002.

ENTERPRISE RISK MANAGEMENT

The Corporation has in place a robust ERM policy. The policy defines a Governance structure as well as the roles and responsibilities at each level. The ERM department is headed by the Chief Risk Officer (CRO) who reports to the Board level ERM committee through the Chairman cum Managing Director (CMD) and Management level ERM committee. ERM department conducts risk and control assessment with the assistance of the Risk and Mitigation Plan Owners (RMOs) whereby risks are re-calibrated; new risks are brought for discussion followed by prioritization of risks. RMOs also propose a control/mitigation plan during this exercise. The department conducts periodic review of the risk universe, controls and implementation and its effectiveness and keeps the Management and Board ERM Committees duly informed of developments and deviations.

During the year under review, ERM department has gone live with software solution for ERM viz GIC Risk Pro on 10th of June 2015. This software records the identified risks and their mitigation plans and facilitates monitoring and control process. The Key Risk Indicators (KRIs) which are used to fix the risk tolerance limits are also captured in GICRiskPro. The software is integrated with the base SAP system of Corporation to enable KRI values to automatically move from base system to GICRiskPro. This system is also beneficial in giving the alerts to the KRI owner if the KRI thresholds are breached.

As part of its allied activities, the ERM department reviews the Business Continuity Plan (BCP) annually. The purpose of BCP is to minimize the impact on the organization of any significant business disruption to an

acceptable level through a combination of preventive measures, recovery controls and alternate arrangements. Business Continuity Planning aims at providing continuity of services at a defined minimum acceptable level of critical functions and to safeguard the financial, competitive and reputational position in the short and medium term.

During the year under review, a stress test exercise conducted by our consulting Actuary evaluated scenarios of significant adverse threats to the future financial condition of GIC Re and the results of the same were found to be satisfactory.

Standard Operating Procedures (SOP) for two key functions of the Corporation viz: Reinsurance and Investment and their related accounting activities have been duly documented. While SOP for investment function is fully implemented, the implementation for Reinsurance is in process.

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORTING

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

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

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

AUDITORS AND AUDIT REPORT

STATUTORY AUDITORS

GBCA & Associates, Chartered Accountants and Samria & Co., Chartered Accountants were appointed as joint Auditors to audit the accounts of the Corporation for the financial year 2015-16 by the Comptroller & Auditor General of India under Section 139 and Section 143 of the Companies Act, 2013.

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

SECRETARIAL AUDIT

The Board has appointed SVVS & ASSOCIATES, Company Secretary LLP to conduct Secretarial Audit for the financial year 2015-16.

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

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

EXTRACT OF ANNUAL RETURN

Extract of Annual Return (Form MGT 9) of the Company is annexed herewith as Annexure III to this Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

FOREIGN EXCHANGE EARNINGS & OUTGO AND OTHER INFORMATION

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

- i) Earnings ₹ 2586.16 crore
- ii) Outgo ₹ 2043.18 crore

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

Expenses on (a) Entertainment (b) Foreign Tours and (c) Publicity and Advertisement amounted to ₹ 12,76,935.52, ₹ 5,90,71,814.07 and ₹ 5,44,11,414.80 respectively for the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The Corporation is not engaged in any manufacturing activity and as such there are no particulars to disclose

under the Companies (Accounts) Rules, 2014 as regards Conservation of Energy or Technology absorption.

PERSONNEL AND INDUSTRIAL RELATIONS

I. STAFF POSITION AS ON 31.03.2016

Class I	- Officers	454
Class III	- Clerical Employees	81
Class IV	- Sub-Staff	23
TOTAL		558

Composition of Scheduled Castes and Scheduled Tribes in the employee Strength

Cadre	Total Employee Strength	Composition			
		SC	%	ST	%
Officers	454	66	14.54	26	5.73
Clerical	81	22	27.16	10	12.35
Sub-Staff	23	5	21.74	1	4.35
Total	558	93	16.67	37	6.33

II. WELFARE OF SC/ST/OBC:

As per the National Policy on reservation for SC/ST & OBC, GIC Re has framed rules, which allow reservations and concessions/relaxation for SC/ST and OBC in recruitment and promotion wherever applicable. Special in-house training classes are conducted for SC/ST employees who are in the promotion zone in order to enable them to acquire knowledge so that they are able to give a better account of themselves in the written test. The Corporation also organizes pre-recruitment trainings through the Recruitment Agency for the SC/ST candidates who apply for the recruitment examination on All India Basis.

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

The Company has been employing women employees in various cadres within its office. The Company has in place a policy against Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees are covered under the policy.

There was no complaint received from any employee during the financial year 2015-16 and hence no complaint is outstanding as on 31.03.2016 for redressal.

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY OF THE CENTRAL GOVERNMENT

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

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

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

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

CMD's Shield was awarded to Human Resources Department and certificates were given to General Accounts Department, Vigilance Department and Secretarial Department as these departments were found to be the best performing departments of the Corporation with regards to Official Language Implementation.

Almost all Officers and Employees are having working knowledge of Official Language and 5 newly recruited officers are yet to be trained in Hindi. They will be sent for training shortly.

Out of 533 personnel of GIC Re, 172 are proficient in Hindi.

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

A chaupal was organized under the banner of Town Official Language Implementation Committee (TOLIC). The subject of the Chaupal was "Social Media, Digital India and Hindi." Chief Guest of the programme was Mrs. Alice G. Vaidyan, Chairman cum Managing Director of GIC Re and special guest was Senior Radio Persona Mr. Ameen Sayani. Public Sector Undertaking-members of TOLIC were attended the chaupal and made it successful.

VIGILANCE

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

The Department also focuses on various systems improvement initiatives.

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

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

INTERNAL AUDIT DEPARTMENT

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

To achieve the objective, the Internal Audit Department has utilized the services of professional audit firms. During the year 2015-16, M/s Kailash Chand Jain & Co. being eligible for re-appointment continued as Internal Auditors for Reinsurance Operations and Business Accounts for 2015-16. M/s R. Devendra Kumar & Associates being eligible for re-appointment continued as Internal Auditors for Investment Operations and other functions for 2015-16.

The Internal Audit Department also appoints Auditors for the foreign branches of GIC Re in London, Dubai and Malaysia and representative office in Moscow.

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

1. Secretarial Audit
2. RTI Audit
3. Deliverables Audit
4. Motor Pool Financial Audit
5. FAIR Nat Cat Pool

The Internal Audit Department functions independently under the supervision of the Audit Committee of the Board. The Audit reports of GIC Re Head Office and Foreign branches are placed before the Audit Committee of the Board for their consideration and directions.

Six (6) meetings of the Audit Committee of the Board were held during the year 2015-16. Action Taken Reports were presented to the Audit Committee to report the status of progress on the implementation of the directions of the Committee.

During the year, emphasis was laid on core business activities and audit of Reinsurance underwriting operations, settlement of outstanding accounts & reconciliations of broker balances. Other departments like Human Resources, IT, Communication, General Accounts, Office Services etc. were also covered during the year. Besides major expenditures incurred, both Revenue and Capital, having financial implications were also subjected to audit. Treaty acceptances, Cash Call settlements and Settlement of Accounts were audited on concurrent basis.

Audit of Investment Operations was conducted on concurrent basis. This covered the primary and secondary market transactions. In line with RBI directions,

Subsidiary Government Ledger (SGL) for Central and State Government Securities were subjected to concurrent audit and confirmation of correctness of balances, and its reconciliation at the end of each month were sent to RBI. The same were also placed before the Audit Committee at its meetings.

The major contributions of the auditors during the year include appraising the management of the scope of improvement in cash call servicing, broker-wise and cedant-wise receivable management, reduction in unappropriated amounts, and streamlining of outstanding loss reserves. The Audit function in the Corporation has brought about improvement in data quality, acceleration in claim processing, streamlining of process of accounts receivable management in the Reinsurance Operations. By critically appraising the Management of the Corporation of the various systems and processes, the Internal Audit Department facilitated to strengthen the overall governance mechanism.

During the year, the Internal Audit Department placed before the Board and the Audit Committee the status of Comptroller & Auditor General of India (CAG) Draft Paras (DPs) and Inspection Reports (IRs)

RTI ACT, 2005

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

The Corporate website www.gicofindia.com hosts information as relevant to the Corporation, under the Act which is updated from time to time. GIC Re has complied with the guidelines issued by Ministry of Personnel, Public Grievance & Pensions, Department of Personnel and Training, regarding Implementation of suomotu disclosure u/s 4 of the RTI Act, 2005. The suomotu disclosures are audited as envisaged in the guidelines.

During the period under review (2015-16) the Corporation received Fifty Applications and Eight First

Appeals under the RTI Act, 2005. All the Applications were duly replied and Appeals were disposed off well within the stipulated time. No Second Appeals were filed against the Corporation during the period under review.

INFORMATION TECHNOLOGY MANAGEMENT GROUP (ITMG)

The Information Technology Management Group of GIC Re has adopted the vision of being responsible for generating value through the use of technology. The department provides the IT resources for the Corporation and ensures that the latest technology in hardware, software and networking is implemented in the organization.

The technology platform of the organization is state-of-the-art. There is a Business Continuity Plan (BCP) for IT operations designed to reduce risk from unexpected disruption of the critical functions/operations. DR drill of the core applications has also been carried out during the year. An Enterprise Risk Management framework has been put in place and the risk parameters are being monitored by software that is implemented for the purpose. Electronic transaction processing with the business partners is enabled through the use of a portal and a messaging gateway.

Information Security Policy has been adopted by the organization. The security infrastructure is reviewed and audited through certified auditors regularly.

INDIAN MOTOR THIRD PARTY DECLINED RISK INSURANCE POOL (IMTPDRIP):

The IMTPDRIP has been in operation since 01.04.2012 and is in the 4th year of operation.

The process of Annual clean cut settlement in respect of DR Pool liabilities for the year 2014-15 was completed @ 184% of Ultimate Loss Ratio (ULR).

During the year 2015-16, the total number of Member Companies was 22 and have ceded premium of ₹ 203 crore (11.26% decrease over previous year) from 1.5 lakh policies (26.11% decrease over previous year).*

Vide order dated 15th March 2016, the IRDAI decided to dismantle the Pool with effect from 1st April, 2016.

*taken upto Q3/2015-16 & Comparison with upto Q3/2014-15

TRAINING/HRD

Today's work environment often requires officers to be independent thinkers responsible for making good decisions based on limited information. Training enhances these skills. The focus of training department is to help you recognise how best to meet your staff's personal development needs while, at the same time, ensuring the maximum benefit for business. Communicating with staff, identifying their short and long-term development needs and creating an action plan to deliver these, are key factors in meeting these objectives. Learning/Training is necessary process of achieving business objectives and essentials to improve organisational performance. It bridges the gap between the organisation current capability and that needed to deliver business results.

In the year 2015-16 training was imparted to all levels of employees both internally and externally. Various programmes were conducted for the employees at GIC Learning Academy, National Insurance Academy, Pune and other Reputed Institutes. Many soft skilled programmes as well as technical based programmes were initiated.

The Summary of various programmes organized by NIA, other reputed organizations and GIC Re Learning Academy are indicated below:

Organization	No of Programmes	No of officers/ employees trained
In house programmes	25	225
National Insurance Academy, Pune	22	83
Insurance Institute of India	18	65
Other reputed organisations	30	165
Seminars/Conferences/ Summits	6	43
International Training Programmes conducted for cedant companies as part of marketing strategy	6	148
Foreign Trainings	7	15

In addition to the above following trainings were organized

1. Induction Training –
 - 52 Direct Recruits through Insurance Institute of India (6 week duration covered both aspects of insurance as well as Reinsurance)
 - Assignments on product design related to insurance were given to Direct Recruits.
 - Medals were awarded to the best three product design
2. Specialized programme-4 day Advanced Excel programme conducted three times at Insurance Institute of India.
3. As a marketing strategy, 6 International training programme on various topics were imparted for our Overseas Associates of GIC Re. 6 specialised programmes were conducted in association with Insurance Institute of India in the financial year 2015-16 as a part of marketing strategy. The programmes conceptualised specifically for our participants from overseas cedant companies in Asian and African market.
 - Reinsurance Management May, 2015
 - Takaful Insurance July, 2015
 - General Insurance- Fire, Project and Mega lines September, 2015
 - General Insurance Liability November, 2015
 - Reinsurance Management January, 2016
 - Programme on Oil and Energy February, 2016
4. Mandatory Programme of "Prevention of Sexual Harassment at Workplace" conducted for women employees
5. Specialised Programme on "Subordinate Development & Coaching" was conceptualised to train the Middle Management Cadre (especially for Scale III & IV).
6. SAP related trainings conducted at E-learning Centre on various RI modules

Impact Study of Training Programme

The trainings were conducted for our officers/employees for enhancement of existing skills, updating the techniques in respective departments. The end result of such trainings is that these concerned personnel are better equipped to handle new challenges that arise in the growing business scenario. Trained officers do work better and more efficiently, have positive attitude. The resultant impact of Training is to improve drive, initiative and quality of work output of the employees/officers. It indirectly makes them more committed to achieving goals and objectives of the Corporation.

OVERSEAS EXPANSION

Overseas Expansion of operations, through branch offices, subsidiaries and joint ventures are an integral part of the business growth strategy. Expansion plans are drawn basing on study of market opportunities, supported by understanding of the business and working environment in prospective markets. The decisions are based on sound business research coupled with prevailing regulatory structures and requirements.

GIC Re has always demonstrated its commitment to building and supporting the insurance markets of neighbouring SAARC countries. It has ensured support to the insurance industry and regulators in SAARC and Africa by providing technical inputs, imparting training and providing capital support, whenever, situation demands.

GIC Re has been organizing and participating in major insurance events, including participation at the Annual South Asian Insurance Regulators' Meet and Conference. Scaling up of Moscow Representative Offices to full-fledged business offices is now on the agenda.

INVESTMENT IN INSURANCE COMPANIES

DOMESTIC OPERATIONS

AGRICULTURE INSURANCE COMPANY OF INDIA LTD. (AICIL)

The Corporation holds 35% equity of AICIL and NABARD holds 30% while the balance is held equally to the extent of 8.75% by the four public sector non-life insurance Companies. The Company has not declared any dividend for the financial year 2015-16.

OVERSEAS OPERATIONS

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

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

• LONDON BRANCH (UK)

During the current financial year 2015-16, the Gross Premium written by the Branch was GBP 51.04 mn compared to GBP 43.83 mn last year and earned a profit of GBP 8.11 mn as against a profit of GBP 3.51 mn last year.

• DUBAI BRANCH (UAE)

During the current financial year 2015-16, the Gross Premium written by the Branch is AED 1,158.21 mn compared to AED 1,119.55 mn last year and incurred a loss of AED 223.95 mn as against a loss of AED 357.45 mn last year.

• MALAYSIA BRANCH

During the current financial year 2015-16, the Gross Premium written by the Branch was RM 483.98 mn compared to RM 447.08 mn and incurred a loss of RM 282.26 mn as against a loss of RM 138.85 mn.

• KENINDIA ASSURANCE CO. LTD., KENYA

The paid up share capital of the Company is Kshs 561 mn. The total shares held by GIC Re is 515,777 shares of Kshs 100 each as on 31.12.2015. The Corporations' holding in the share capital of the Company is 9.19%.

Kenindia has declared a dividend of Kshs 10 per share for the year ended 31st December, 2015.

• INDIA INTERNATIONAL INSURANCE PTE. LTD. SINGAPORE

Corporation holds 20% shares in India International Insurance Pte. Ltd., which has a share capital of S\$ 50 million.

The total shareholding of GIC Re in the Company is 10 mn shares each of 1 S\$.

The Directors have recommended a first & final dividend of 10 cents per share for the financial year 2015.

• ASIAN REINSURANCE CORPORATION, BANGKOK

The Corporation is holding 9.23% of the share capital as Associate Member of Asian Re in addition to holding 1.25 % of the share capital as its Regular Member on behalf of the Government of India. The Company has not declared any dividend for the year 2015.

• EAST AFRICA REINSURANCE COMPANY LTD., KENYA

The Corporation has 14.75% stake in the share capital of East Africa Reinsurance Company Ltd., an existing profit making reinsurance company in Kenya. The total shareholding of the Corporation is 191,777 shares of 1000 Kshs, as on 31st March, 2016.

The Company has declared a dividend of 46.15 Kshs per share for the financial year ended 31st December 2015.

• GIC Bhutan Re Ltd.

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

The Corporation has a 26% stake in the Joint Venture and held 13,000,000 shares of value Nu 10 each as of 31st December, 2015. The rest of the shareholding is divided between two Local Bhutanese promoters with 17% stake each and 40% shares are held by the public.

• GIC Re South Africa Ltd.

GIC Re South Africa Ltd is the Corporation's first 100% owned subsidiary (Wholly owned subsidiary) operational since October 2014.

The Corporation held 5,750,000 shares of value ZAR 2 each, constituting 100% of GIC Re South Africa Ltd's equity as of 31st December, 2015.

• **GIC Re, India, Corporate Member Limited**

With the ambition of becoming a reputed Global reinsurer and enhance its global footprint, GIC Re wanted to expand into alternative markets such as Lloyd's of London. GIC Re has plans to offer reinsurance capacity to Lloyd's syndicates through quota share capital gearing treaties which Lloyd's Syndicates arrange from non-Lloyd's markets for capital efficiency. While offering quota share reinsurance to Lloyd's syndicates, it becomes necessary to have own Corporate Membership at Lloyd's as a capacity provider, which is established as a private limited company registered in the UK.

With this objective, GIC Re acquired an existing Corporate Member company namely I-CAT CCM TEN Ltd which was underwriting business on Syndicate 4242 with reinsurance support from GIC Re. The process of acquisition was completed in November 2013 when Lloyd's granted consent for GIC of India to become the controller of ICAT CCM TEN Ltd and the name of the Corporate Member was changed to GIC Re, India, Corporate Member Ltd which was registered with Companies House in UK.

GIC Re, India, Corporate Member Ltd provided capacity to Syndicate 6119 in 2014 and Syndicates 6118 & 6119 in 2015. The premium underwritten is GBP 14.05 million in 2014 and GBP 18.47 million in 2015. The business underwritten by GIC Re, India, Corporate Member Ltd is fully reinsured with GIC Re.

DECLARATION OF INDEPENDENT DIRECTORS

As per Section 149, the Corporation has received declaration of Independence from Mr. D R Mohnot, Independent Director.

DIRECTORS RESPONSIBILITY STATEMENT

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

1. In the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
2. Appropriate accounting policies have been selected and have been applied consistently and have made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation at the end of the financial year 2015-16 and of the profit or loss of the Corporation for the period ;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis.
5. Proper systems has been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Domestic (India):

Following are details of three major losses which occurred during the month of April and May 2016:

Name of Insured	Cause of loss	Date of Loss	Cedent	100% loss (₹ crs.)	GIC's share of Gross loss (₹ crs.)	GIC's share of Net loss (₹ crs.)
Biomax Fuels	Fire	26.04.2016	SBI General	104.53	42.95	42.95
Vedanta Ltd	Fire	27.05.2016	United India	93.00	40.13	40.13
Subros Ltd/Maruti Suzuki India Ltd.	Fire	29.05.2016	National Insurance/ Universal Sampo General Insurance	459.00	165.28	100.00*

* claim recoverable above ₹ 100 crs. from our Reinsurance Protection Programme

Foreign :

There were three Major Foreign Events, in April & May 2016, details of which are as follows:

Name of the Event	Cause of loss	Date of Loss	Cedent	GIC's share of Gross loss (USD mln.)	GIC's share of Net loss (USD mln.)	GIC's share of Gross loss (₹ crs.)	GIC's share of Net loss (₹ crs.)
Sri Lanka Floods	Flood	May 2016	Various	6.43	6.43	43.10	43.10
Ecuador EQ	Earthquake	16.04.16	Various	3.55	3.55	23.74	23.74
Egypt Air	Crash	19.05.16	MISR/Arab Misr	2.76	2.76	18.50	18.50

GENERAL MEETINGS

The last three Annual General Meetings were held at the Registered Office of the Corporation at "Suraksha", 170, J. Tata Road, Churchgate, Mumbai-400 020 on the following dates:-

17th July 2015

10th September 2014

11th July 2013

An Extra Ordinary General Meeting of the Corporation was also held at the Registered Office of the Corporation at "Suraksha", 170, J. Tata Road, Churchgate, Mumbai-400 020 on 4th February, 2016.

BOARD MEETINGS

The number of Board meetings held during financial year 2015-16 of the Corporation were Seven (7) and these are as follows:

24th April 2015

30th May 2015

17th July 2015

4th September 2015

30th November 2015

23rd December 2015

18th February 2016

SUBMISSION OF ACCOUNTS BEFORE PARLIAMENT

As confirmed by the Ministry of Finance, Insurance Division, the Annual Report of the Corporation for the year 2014-15 along with Directors Report were placed before both the Houses of Parliament under Section 394 of the Companies Act, 2013 as per details given below:

LOK SABHA 11th December 2015

RAJYA SABHA 15th December 2015

ACKNOWLEDGEMENT

The Board places on record its deep appreciation of the agents, brokers, staff and officers of the Corporation for their valuable contribution in achieving its plans and goals. The Directors are thankful for the guidance and support extended by Ministry of Finance, IRDAI, and Principal Director of Commercial Audit and Ex-Officio Member, Audit Board- I, Mumbai.

For and on behalf of the Board

Alice G. Vaidyan

Chairman-cum-Managing Director

Date : 29th June, 2016

Place : Mumbai

Annexure - I

The Annual Report on CSR Activities

1. Brief outline of CSR policy:

To strive to transform India into a risk-aware society from being a risk-averse society. To achieve our vision by integrating social, environmental and health concerns of the Indian society into Corporation's overall CSR policy and programmes.

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

2. Composition of CSR Committee:

Smt. Alice G Vaidyan, CMD

Smt. Snehlata Shrivastava, Additional Secretary, Department of Financial Services, Ministry of Finance

Shri G. Srinivasan, Nominee Director and CMD of New India Assurance Company Limited

Shri G. C. Gaylong, Executive Director and General Manager, GIC Re

3. Average Net profit of Company for last three financial years: ₹ 2864.46 crore

4. Prescribed CSR expenditure (2% of the amount in item): ₹ 57.29 crore

5. Details of CSR spent during financial year -

a) Total Amount spent in FY: ₹ 48,91,14,071.00

b) Amount Unspent: ₹ 8,37,85,929.00

c) Manner in which the amount spent during the financial year in detail:

Sr. No.	CSR project identified	Sector in which the project is covered	Projects/ programmes Local area State/district	Amount outlay (₹)	Amount spent on the Projects or Programmes (₹)		Cumulative expenditure (₹)	Amount spent: Direct or through Implementing Agency (₹)
					Direct	Overhead		
(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
1.	Alibaug Nagar Parishad	School Infrastructure	Alibaug, Maharashtra	2655328.00	2655328.00	0.00	2655328.00	Direct – Alibaug Nagar Parishad
2.	Annamitra	Mid day meal	Thana, Maharashtra	2475000.00	2475000.00	0.00	2475000.00	Direct- Annamitra
3.	Annamitra	Mid day meal	Jamshedpur, Bihar	2475000.00	2475000.00	0.00	2475000.00	Direct- Annamitra
4.	Annamitra	Mid day meal	Jaipur, Rajasthan	2475000.00	2475000.00	0.00	2475000.00	Direct- Annamitra
5.	Annamitra	Mid day meal	Ujjain, Madhya Pradesh	2475000.00	2475000.00	0.00	2475000.00	Direct- Annamitra
6.	Annamitra	Mid day meal	Kolkata, West Bengal	2475000.00	2475000.00	0.00	2475000.00	Direct- Annamitra

Sr. No.	CSR project identified	Sector in which the project is covered	Projects/ programmes Local area State/district	Amount outlay (₹)	Amount spent on the Projects or Programmes (₹)		Cumulative expenditure (₹)	Amount spent: Direct or through Implementing Agency (₹)
					Direct	Overhead		
7.	Annamitra	Mid day meal	Pune, Maharashtra	2475000.00	2475000.00	0.00	2475000.00	Direct- Annamitra
8.	Annamitra	Mid day meal	Palghar, Maharashtra	2475000.00	2475000.00	0.00	2475000.00	Direct- Annamitra
9.	Akshaypatra	Midday meal (VAN)	Hubli, Karnataka	1462354.00	1462354.00	0.00	1462354.00	Direct - Akshaypatra
10.	Akshaypatra	Midday meal	Bangalore, Karnataka	2352750.00	2352750.00	0.00	2352750.00	Direct - Akshaypatra
11.	Akshaypatra	Midday meal	Mangalore, Karnataka	2401500.00	2401500.00	0.00	2401500.00	Direct - Akshaypatra
12.	Akshaypatra	Midday meal	Puri, Orissa	2489250.00	2489250.00	0.00	2489250.00	Direct - Akshaypatra
13.	Akshaypatra	Midday meal	Bhubhaneshwar, Orissa	2492250.00	2492250.00	0.00	2492250.00	Direct - Akshaypatra
14.	Akshaypatra	Midday meal	Hyderabad, Andhra Pradesh	2477250.00	2477250.00	0.00	2477250.00	Direct - Akshaypatra
15.	Akshaypatra	Midday meal	Bellary, Karnataka	2491500.00	2491500.00	0.00	2491500.00	Direct - Akshaypatra
16.	Akshaypatra	Midday meal (VAN)	Bellary, Karnataka	1886066.00	1886066.00	0.00	1886066.00	Direct - Akshaypatra
17.	BMVSS, Mumbai	Livelihood generation	Mumbai, Maharashtra	500000.00	345091.00	0.00	345091.00	Direct - BMVSS Mumbai
18.	BMVSS, Mumbai	Livelihood generation	Buldhana, Maharashtra	2500000.00	1902305.00	0.00	1902305.00	Direct - BMVSS Mumbai
19.	BMVSS Ahmedabad	Livelihood generation	Surat, Gujarat	220500.00	146300.00	0.00	146300.00	Direct - BMVSS Ahmedabad
20.	BMVSS Delhi	Livelihood generation	Pan India	2350000.00	2350000.00	0.00	2350000.00	Direct - BMVSS Delhi
21.	BMVS, Jaipur	Livelihood generation	Pan India	2500000.00	2500000.00	0.00	2500000.00	Direct - BMVSS Jaipur

Sr. No.	CSR project identified	Sector in which the project is covered	Projects/ programmes Local area State/district	Amount outlay (₹)	Amount spent on the Projects or Programmes (₹)		Cumulative expenditure (₹)	Amount spent: Direct or through Implementing Agency (₹)
					Direct	Overhead		
22.	BMVS, Jaipur	Economic stability	Pan India	1001000.00	1001000.00	0.00	1001000.00	Direct - BMVSS Jaipur
23.	BMVSS Hyderabad	Livelihood generation	Andhra Pradesh	1560000.00	1560000.00	0.00	1560000.00	Direct - BMVSS Hyderabad
24.	BMVSS Mumbai	Rehabilitation	Jalna, Maharashtra	2497000.00	1642784.00	0.00	1642784.00	Direct - BMVSS Mumbai
25.	BMVSS Bangalore	Livelihood generation	Bangalore, Karnataka	2500000.00	2500000.00	0.00	2500000.00	Direct - BMVSS Bangalore
26.	BNGVN	Livelihood generation	Jalgaon, Maharashtra	2262500.00	2262500.00	0.00	2262500.00	Direct - BNGVN
27.	Concern India Foundation	Health & Hygiene	Mumbai, Maharashtra	984116.00	984116.00	0.00	984116.00	Direct- CIF
28.	Concern India Foundation	Infrastructure	Mumbai, Maharashtra	805000.00	805000.00	0.00	805000.00	Direct- CIF
29.	Cancer Patients Aids Association	Health- Adoption of cancer patients	Pan India	2400000.00	2400000.00	0.00	2400000.00	Direct- CPAA
30.	Cancer Patients Aids Association	Health- Biochemistry Machine	Mumbai, Maharashtra	1377600.00	1377600.00	0.00	1377600.00	Direct- CPAA
31.	Cancer Patients Aids Association	Health- Screening camp	Silvassa, Dadra & Nagar Haveli	350000.00	350000.00	0.00	350000.00	Direct- CPAA
32.	Cancer Patients Aids Association	Health- Screening camp	Imphal, Manipur	854000.00	854000.00	0.00	854000.00	Direct- CPAA
33.	Cancer Patients Aids Association	Health- Screening camp	Belgaum, Karnataka	785000.00	785000.00	0.00	785000.00	Direct- CPAA
34.	Chathradhari Caterers	Education	Mumbai, Maharashtra	25500.00	25500.00	0.00	25500.00	Direct- Chathradhari Caterers

Sr. No.	CSR project identified	Sector in which the project is covered	Projects/ programmes Local area State/district	Amount outlay (₹)	Amount spent on the Projects or Programmes (₹)		Cumulative expenditure (₹)	Amount spent: Direct or through Implementing Agency (₹)
					Direct	Overhead		
35.	DRDA Serchip, Mizoram	Infrastructure, Health Empowerment	Chhiahtlang, Mizoram	2500000.00	2500000.00	0.00	2500000.00	Direct - DRDA
36.	DRDA Serchhip, Mizoram	Infrastructure, Health Empowerment	Kawalailung, Mizoram	2500000.00	2500000.00	0.00	2500000.00	Direct - DRDA
37.	DRDA, Bunsang, Nagaland	Livelihood generation	Bunsang, Nagaland	1250000.00	1250000.00	0.00	1250000.00	DIRECT - DRDA
38.	DRDA, Secuma, Nagaland	Livelihood generation	Secuma, Nagaland	1250000.00	1250000.00	0.00	1250000.00	DIRECT - DRDA
39.	Dhanas Gram Panchayat, Chandigarh	Hygiene and Sanitation	Dhanas, Chandigarh	1250000.00	1250000.00	0.00	1250000.00	DIRECT - Dhanas Gram Panchayat
40.	DRDA, Himachal Pradesh	Infrastructure	Mandi, Himachal Pradesh	1250000.00	1250000.00	0.00	1250000.00	DIRECT - DRDA
41.	Helpers of Handicap	Livelihood generation	Sawantwadi, Maharashtra	2100000.00	2100000.00	0.00	2100000.00	Direct - HHK
42.	Helpers of Handicap	Infrastructure	Sawantwadi, Maharashtra	2500000.00	2500000.00	0.00	2500000.00	Direct - HHK
43.	Helpers of Handicap	Infrastructure	Kolhapur, Maharashtra	1250000.00	1250000.00	0.00	1250000.00	Direct - HHK
44.	Insurance Institute of India	Education	Mumbai, Maharashtra	75000.00	75000.00	0.00	75000.00	Direct - III
45.	Kagal Nagar Parishad (VA)	Hygiene & Sanitation	Kagal, Maharashtra	3000000.00	3000000.00	0.00	3000000.00	Direct- Kagal Nagar Parishad
46.	MITTRA	Filtration Water intervention School Infrastructure	Shiroshi, Palghar Maharashtra	2644440.00	2644440.00	0.00	2644440.00	Direct- MITTRA

Sr. No.	CSR project identified	Sector in which the project is covered	Projects/ programmes Local area State/district	Amount outlay (₹)	Amount spent on the Projects or Programmes (₹)		Cumulative expenditure (₹)	Amount spent: Direct or through Implementing Agency (₹)
					Direct	Overhead		
47.	MITTRA	Filtration Water intervention School Infrastructure	Talyachapada Palghar, Maharashtra	2617500.00	2617500.00	0.00	2617500.00	Direct- MITTRA
48.	MITTRA	Health Infrastructure	Dhumodi, Nashik, Maharashtra	2129400.00	2129400.00	0.00	2129400.00	Direct- MITTRA
49.	MITTRA	Health Infrastructure	Sapte, Nashik, Maharashtra	2198400.00	2198400.00	0.00	2198400.00	Direct- MITTRA
50.	Mawlynbigna, Meghalaya	Infrastructure Green Initiatives	Mawlynbigna, Meghalaya	1250000.00	1250000.00	0.00	1250000.00	Direct – Directorate of Meghalaya
51.	Mumbai Mobile Creche	Health	Mumbai, Maharashtra	2369400.00	2369400.00	0.00	2369400.00	Direct- MMC
52.	Matoshree Vrudhhashram	Power saving	Thane, Maharashtra	1600000.00	1600000.00	0.00	1600000.00	Direct – Matoshree Vrudhhashram
53.	NARMADA	Education	Lepa, Madhya Pradesh	2287500.00	1500000.00	0.00	1500000.00	Direct- NARMADA
54.	National Association of Blind	Infrastructure	Mumbai, Maharashtra	1443750.00	1443750.00	0.00	1443750.00	Direct - NAB
55.	National Association of Blind	Rehabilitation	Mumbai Thane, Maharashtra	2391000.00	2391000.00	0.00	2391000.00	Direct - NAB
56.	National Association of Blind	Rehabilitation	Mumbai Thane, Maharashtra	2160000.00	2160000.00	0.00	2160000.00	Direct - NAB
57.	National Association of Blind	Education	Pan India	1200000.00	1200000.00	0.00	1200000.00	Direct - NAB

Sr. No.	CSR project identified	Sector in which the project is covered	Projects/ programmes Local area State/district	Amount outlay (₹)	Amount spent on the Projects or Programmes (₹)		Cumulative expenditure (₹)	Amount spent: Direct or through Implementing Agency (₹)
					Direct	Overhead		
58.	National Association of Blind	Education	Mumbai Thane, Maharashtra	2300000.00	2300000.00	0.00	2300000.00	Direct - NAB
59.	National Association of Blind	Livelihood generation	Mumbai Thane, Maharashtra	2400000.00	2400000.00	0.00	2400000.00	Direct - NAB
60.	National Association of Blind	Education	Mount Abu, Rajasthan	2000020.00	2000020.00	0.00	2000020.00	Direct- NAB
61.	NIA Scholarships	Education	Pune, Maharashtra	1930000.00	1930000.00	0.00	1930000.00	Direct - NIA
62.	Nezabhari Initiatives	Health, Hygiene, Infrastructure	Nezabhari, Uttar Pradesh	2885122.00	2811100.00	0.00	2811100.00	Direct - Sunil Kumar Dixit, Vijay Shree Hospital
63.	Namami Ganga	Hygiene & Sanitation	Pan India	150000000.00	150000000.00	0.00	150000000.00	Direct
64.	PRADAN	Livelihood generation	Purulia, West Bengal	2500000.00	2500000.00	0.00	2500000.00	Direct- PRADAN
65.	Phayeng - Manipur	Infrastructure, Health Empowerment	Phayeng, Manipur	2500000.00	2500000.00	0.00	2500000.00	Direct - Phayeng GP
66.	Raipur Kalan Gram Panchayat, Chandigarh	Infrastructure	Raipur Kalan, Chandigarh	1250000.00	1250000.00	0.00	1250000.00	Direct – Raipur Kalan Gram Panchayat
67.	Rural Development Trust	Health	Anantpur, Andhra Pradesh	2971987.00	2971987.00	0.00	2971987.00	Direct - RDT
68.	Rural Development Trust	Infrastructure	Anantpur, Andhra Pradesh	2257500.00	2257500.00	0.00	2257500.00	Direct - RDT
69.	Rural Development Trust	Bio Gas	Anantpur, Andhra Pradesh	2130300.00	2130300.00	0.00	2130300.00	Direct - RDT

Sr. No.	CSR project identified	Sector in which the project is covered	Projects/ programmes Local area State/district	Amount outlay (₹)	Amount spent on the Projects or Programmes (₹)		Cumulative expenditure (₹)	Amount spent: Direct or through Implementing Agency (₹)
					Direct	Overhead		
70.	Rotary Club of Ambala	Infrastructure	Ambala, Punjab	2500000.00	2500000.00	0.00	2500000.00	Direct- Rotary Club of Ambala
71.	Swachch Vidyalaya	Hygiene & Sanitation	Pan India	150000000.00	150000000.00	0.00	150000000.00	Direct
72.	Salutory Service Society	Health- Screening camp	Imphal Manipur	157108.00	156068.00	0.00	156068.00	Direct - SSS
73.	Su Samannya	Health	Howrah, West Bengal	2087473.00	2087473.00	0.00	2087473.00	Direct- Su Samannya
74.	SCITECH	Health	Pune, Maharashtra	40950.00	40950.00	0.00	40950.00	Direct- SCITECH
75.	Sankalptaru	Plantation	Barmer, Rajasthan	1223335.00	1223335.00	0.00	1223335.00	Direct - Sankalptaru
76.	Samaritan Help Mission	Education & infrastructure	Howrah, West Bengal	2450000.00	2450000.00	0.00	2450000.00	Direct - SHM
77.	Shirur NAGAR Parishad	Hygiene & Sanitation	Pune, Maharashtra	785903.00	785903.00	0.00	785903.00	Direct- Shirur Nagar Parishad
78.	SUADHA	Education	Thana, Maharashtra	2395954.00	2395954.00	0.00	2395954.00	Direct - SUADHA
79.	SUADHA	Health	Thane, Maharashtra	100000.00	100000.00	0.00	100000.00	Direct - SUADHA
80.	SUADHA	Health	Thane, Maharashtra	1082270.00	1082270.00	0.00	1082270.00	Direct - SUADHA
81.	Sapphire	Education	Mumbai, Maharashtra	76782.00	76782.00	0.00	76782.00	Direct – Sapphire
82.	SULABH	Hygiene & Sanitation	Mumbai, Maharashtra	7092799.00	7092799.00	0.00	7092799.00	Direct-Mulund
83.	Tamil Nadu Flood Relief	Rehabilitation	Tamil Nadu	30000000.00	30000000.00	0.00	30000000.00	Direct

Sr. No.	CSR project identified	Sector in which the project is covered	Projects/ programmes Local area State/district	Amount outlay (₹)	Amount spent on the Projects or Programmes (₹)		Cumulative expenditure (₹)	Amount spent: Direct or through Implementing Agency (₹)
					Direct	Overhead		
84.	Thanga Part II – Manipur	Infrastructure, Health Empowerment	Thanga Part II, Manipur	2500000.00	2500000.00	0.00	2500000.00	Direct – Thanga Part II- GP
85.	Umred Nagar Parishad (VA)	Infrastructure Hygiene & Sanitation	Umred, Maharashtra	2500000.00	2500000.00	0.00	2500000.00	Direct – Umred Nagar Parishad
86.	Vengurla Nagar Parishad (VA)	Hygiene & Sanitation	Vengurla, Maharashtra	4818296.00	4818296.00	0.00	4818296.00	Direct – Vengurla Nagar Parishad
Total				49,16,57,653.00	48,91,14,071.00		48,91,14,071.00	

6. Reasons for the unspent amount.

Some of the proposals received were not compliant with our CSR thrust areas.

7. Responsibility Statement of the CSR Committee:

The CSR Committee affirms that the implementation and monitoring of CSR activities is in compliance with the CSR Policy and objectives of the Corporation.

Smt. Alice G Vaidyan
(Chairman-cum-Managing Director) (Chairman CSR Committee)

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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

The Members,
General Insurance Corporation of India
'SURAKSHA' 170, J Tata Road
Churchgate
Mumbai- 400020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **General Insurance Corporation of India** (hereinafter called "the Company"). 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 March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under¹;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings²;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')³:-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(vi) Other applicable laws namely Industrial & Labour Laws, Commercial laws, Business related Laws, Commercial Laws as detailed in **Annexure B**

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

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

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s)⁴.

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

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes⁵.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

No audit has been conducted on the compliance with finance and taxation laws as the same are subject to audit by the Statutory Auditor and Internal Auditor to the Company and their observations, if any, shall hold good for the purpose of this audit report.

We further report that during the audit period the Company has (i) been converted to 'Public Limited' and (ii) Split the equity shares of face value ₹ 100/- each into those of face value ₹ 1/- each.

June 21, 2016
Mumbai

CS. Suresh Viswanathan
Designated Partner
FCS : 4453
CP No : 11745

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

¹The shares of the Company have not been dematerialised and hence the Depositories Act is not applicable

²Not applicable to the Company during the Audit period

³SEBI Act and the Regulations made thereunder are not applicable since

(i) the Company is not a SEBI Registered market intermediary and also

(ii) the shares of the Company are not listed in any Stock Exchange during the Audit Period

⁴Not applicable to the Company during the Audit period

⁵All resolutions were carried unanimously

ANNEXURE A

The Members,
General Insurance Corporation of India
'SURAKSHA' 170, J Tata Road
Churchgate
Mumbai- 400020

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

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

June 21, 2016
Mumbai

CS. Suresh Viswanathan
Designated Partner
FCS : 4453
CP No : 11745

ANNEXURE B

A. INSURANCE RELATED LAWS, RULES AND REGULATIONS

No. Governing Act/Rules/Regulation/Circulars/ Notifications, etc.

1. Insurance Act, 1938
2. IRDA (Insurance Advertisements and Disclosure) Regulations, 2000
3. IRDA (Appointed Actuary) Regulations, 2000
4. IRDA (Actuarial Report and Abstract) Regulations, 2000
5. IRDA (Investment) (Fifth Amendment) Regulations, 2013
6. Corporate Governance Guidelines for Insurance Companies issued by IRDA in case of Insurance Companies.
7. IRDA (General Insurance-Reinsurance) Regulations, 2013
8. IRDA (Life Insurance-Reinsurance) Regulations, 2013
9. IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000
10. The IRDA (Preparation of Financial Statements And Auditor's Report of Insurance Companies) Regulations, 2000
11. IRDA (Qualification of Actuary) Regulations, 2004
12. IRDA (Assets, Liabilities and solvency Margin of Insurers) Regulations, 2000
13. IRDA (Places of Business) Regulations 2015

B. OTHER LAWS APPLICABLE TO THE COMPANY

1. Right to Information Act, 2005

Annexure- III
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2016

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: U67200MH1972GOI016133
- ii) Registration Date: 22nd November, 1972
- iii) Name of the Company: GENERAL INSURANCE CORPORATION OF INDIA
- iv) Category/Sub-Category of the Company: Public Company.
- v) Address of the registered office and contact details: "Suraksha", 170, J. Tata Road, Churchgate, Mumbai - 400 020
- vi) Whether listed company Yes/No: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	India International Ins. Pte Ltd 64 Cecil Street # 04 - # 05 IOB Building Singapore 049711		ASSOCIATE	20%	Section 2(6) of Companies Act, 2013
2	GIC Bhutan Re Ltd Post Box No 1679, Near Thimphu Thromde Office, Thimphu, BHUTAN		ASSOCIATE	26%	Section 2(6) of Companies Act, 2013
3	Agriculture Insurance Company India Ltd 13th Floor, Ambadeep Building, 14, Kasturba Gandhi Marg, New Delhi - 110 001, INDIA	CIN: U74999DL2002PLC 118123	ASSOCIATE	35%	Section 2(6) of Companies Act, 2013

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
4	GIC Re South Africa Ltd 15 Eton Road Park Town Johannesburg 2193 South Africa		SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013
5	GIC RE India Corporate Member Limited, UK Leadenhall Insurance Consultants Ltd, Suite 835, At Lloyd's, One Lime Street, London, England, EC3M 7DQ		SUBSIDIARY	100%	Section 2(87) of Companies Act, 2013

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

The face value of Equity Shares of the Corporation has been reduced from ₹ 100/- to ₹ 1/- per share vide special resolution passed at the Extra Ordinary General Meeting held on 04.02.2016.

Therefore all shares at the beginning of the year has a face value of ₹ 100/- and at the end of the year ₹ 1/-

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
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
A. Promoters							
1) Indian							
a) Individual	0	0	0	0	0	0	0
b) Central Govt.	43000000	43000000	100%	4300000000*	4300000000	100%	0%
c) State Govt.	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0
g) Any Other...	0	0	0	0	0	0	0
Sub-total (A) (1):-	43000000	43000000	100%	4300000000	4300000000	100%	0
2) Foreign							
a) NRIs - Individuals	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0
Total (A) (2)							
Shareholding of Promoter (A) = (A)(1)+(A)(2)	43000000	43000000	100%	4300000000	4300000000	100%	0

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
B. Public Shareholding							
1. Institutions							
a) Mutual Funds	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0
h) Foreign Venture	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0
2. Non-Institutions							
a) Bodies Corp.							
i) Indian	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0
b) Individuals							
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0
Sub-total (B)(2):-							
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs							
Grand Total (A+B+C)	43000000	43000000	100%	4300000000	4300000000	100%	0%

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	President of India	43000000	100%	0 %	4300000000	100%	0 %	0 %
	Total	43000000	100%	0 %	4300000000	100%	0 %	0 %

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	43000000	100%	43000000	100%
2	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat Equity etc.)	The face value of Equity Shares has been sub divided into ₹ 1/- per share.	No change	The face value of Equity Shares has been sub divided into ₹ 1/- per share.	No change
3	At the End of the year	4300000000	100%	4300000000	100%

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

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

(v) Shareholding of Directors and Key Managerial Personnel

Shareholding of Mr. Ashok Kumar Roy (Chairman and Managing Director) (On behalf of President of India)

Ceased as CMD w.e.f. 31.07.2015

SI No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	4	0.0000093	4	0.0000093
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	4 (2 Shares transferred to Shri G C Gaylong on 22.06.2015 and 2 shares transferred to Shri K. Sanath Kumar on 30.11.2015)	0.0000093	4	0.0000093
3	At the End of the year	0	0	0	0

Shareholding of Mrs. Snehlata Shrivastava (Government Nominee Director) (On behalf of President of India)

SI No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	4	0.0000093	4	0.0000093
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	No Change	No Change	No Change	No Change
3	At the End of the year	400	0.0000093	400	0.0000093

Shareholding of Mr. Gopalan Srinivasan (Director)* (On behalf of President of India)

***Ceased as Director w.e.f. 30.03.16**

SI No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	4	0.0000093	4	0.0000093
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	4 (Shares received from Shri Sushobhan Sarker on 16 th July, 2014)	0.0000093	4	0.0000093
3	At the End of the year	400	0.0000093	400	0.0000093

Shareholding of Mr. K Sanath Kumar (Executive Director)* (On behalf of President of India)***Appointed as Acting CMD w.e.f. 31.07.2015 and Ceased w.e.f. 18.02.2016**

Sl No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	0	0	0	0
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	2 (Shares transferred from Shri A K Roy on 30.11.2015)	0.0000043	2	0.0000043
3	At the End of the year	200	0.0000043	200	0.0000043

Shareholding of Mrs. Alice G Vaidyan (Chairman Cum Managing Director)* (On behalf of President of India)***Appointed as CMD w.e.f. 23.01.2016**

Sl No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	0	0	0	0
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	2 (Shares transferred from Shri Gopalan Srinivasan on 22.06.2015)	0.0000043	2	0.0000043
3	At the End of the year	200	0.0000043	200	0.0000043

Shareholding of Mr. Gulab Chand Gaylong (Director)* (On behalf of President of India)

***Appointed as Director w.e.f. 27.01.2016**

SI No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	0	0	0	0
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	2 (Shares transferred from Shri A K Roy on 22.06.2015)	0.0000043	2	0.0000043
3	At the End of the year	200	0.0000043	200	0.0000043

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				
i) Principal Amount.	0	0	0	0
ii) Interest due but not paid.	0	0	0	0
iii) Interest accrued but not due.	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
<input type="checkbox"/> Addition	0	0	0	0
<input type="checkbox"/> Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager	Total Amount
		Shri A K Roy (Ceased as CMD w.e.f. 31.07.2015)	Shri K Sanath Kumar (Appointed as Acting CMD w.e.f. 31.07.2015 and ceased as director w.e.f. 18.02.2016)	Smt. Alice G Vaidyan (Appointed as CMD w.e.f. 23.01.2016)	Shri G C Gaylong (Appointed as Director w.e.f. 27.01.2016)	
1	Gross salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	7,20,000.00 2,37,974.000	11,74,268.00 57,767.000	16,10,681.00 3,600.000	3,57,911.00 21,709.000	38,62,860.00 3,21,050.000
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission - as % of profit - others, specify	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	Total (A)	9,57,974.00	12,32,035.00	16,14,281.00	3,79,620.00	41,83,910.00
	Ceiling as per the Act					Not Applicable

B. Remuneration to other directors

(Amount in ₹)

Sl. no	Particulars of Remuneration	Name of Directors			
		Smt. Snehlata Shrivastava	Shri Arun Tiwari	Shri G. Srinivasan	Shri D.R. Mohnot*
1	3. Independent Directors				
	• Fee for attending board/ committee meetings	0	0	0	90,000.00
	• Commission	0	0	0	0
	• Others, please specify	0	0	0	0
	Total (1)	0	0	0	90,000.00
	4. Other Non-Executive Directors				
	• Fee for attending board/ committee meetings	0	0	0	0
	• Commission	0	0	0	0
	• Others, please specify	0	0	0	0
	Total (2)	0	0	0	0
	Total (B)=(1+2)	0	0	0	90,000.00
	Total Managerial Remuneration	0	0	0	90,000.00
	Overall Ceiling as per the Act	Not Applicable			

*Ceased to be Director w.e.f. 03.01.2016

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35,04,949.00	23,12,074.00	21,17,863.00	79,34,886.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,99,341.00	1,31,594.00	95,655.00	5,26,590.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit - others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	38,04,290.00	24,43,668.00	22,13,518.00	84,61,476.00

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

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

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

Board of Directors:

GIC Re is governed by a Board of Directors under the chairmanship of Chairman-cum-Managing Director. The Board of GIC Re has four directors which includes one independent director. GIC Re Board has a whole time Chairman. All the directors have executed a deed of covenant with the Corporation.

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

- It provides a conducive environment for developing a corporate culture that recognizes and rewards adherence to ethical standards

Changes in the Composition of the Board during the year:

Shri A.K. Roy, Chairman-cum-Managing Director ceased to be a Director on the Board of the Corporation w.e.f. 31.07.2015.

Shri K. Sanath Kumar, General Manager was appointed as Acting Chairman-cum-Managing Director of the Corporation w.e.f. 31.07.2015.

Shri Doulat Raj Mohnot ceased to be a Director on the Board of the Corporation w.e.f. 03.01.2016.

Smt. Alice G. Vaidyan appointed as Chairman-cum-Managing Director of the Corporation w.e.f. 23.01.2016.

Shri G.C. Gaylong, General Manager of the Corporation was appointed as Whole Time Director of the Corporation w.e.f. 27.01.2016.

Shri K. Sanath Kumar, Acting Chairman-cum-Managing Director ceased to be a Director on the Board of the Corporation w.e.f. 18.02.2016.

Shri G. Srinivasan ceased to be a Director on the Board of the Corporation w.e.f. 30.03.2016.

The Directors wish to place on record the co-operation received from Shri A. K. Roy, Shri K Sanath Kumar, Shri G. Srinivasan and Shri Doulat Raj Mohnot, during their tenure as Directors on the Board and also for their valuable contribution to the cause of the General Insurance Industry.

The Board of Directors as on 31st March 2016 consists of:

1. Smt. Alice G. Vaidyan	Chairman-cum-Managing Director
2. Smt. Snehlata Shrivastava	Government Nominee Director
3. Shri Arun Tiwari	Director
4. Shri G. C. Gaylong	Executive Director

The statement showing the Board Meetings attended by the Directors are reflected in the table given below:

**STATEMENT SHOWING NUMBER OF BOARD MEETINGS ATTENDED BY THE DIRECTORS
DURING THE PERIOD APRIL 2015 TO MARCH 2016**

Name of Directors	Date of Meetings						
	24.04.15	30.05.15	17.07.15	04.09.15	30.11.15	23.12.15	18.02.16
Shri A.K. Roy	Present	Present	Present	Ceased *			
Shri K Sanath Kumar				Present**	Present	Present	Present***
Smt. Alice G. Vaidyan							Present##
Smt. Snehlata Shrivastava	Present	Present	Absent	Absent	Absent	Absent	Present
Shri. Arun Tiwari	Absent	Present	Present	Absent	Present	Absent	Present
Shri G. Srinivasan	Absent	Present	Absent	Present	Present	Present	Absent
Shri D.R. Mohnot	Present	Present	Present	Present	Absent	Present	Ceased#
Shri G. C. Gaylong							Present###

(*) Ceased as Director w.e.f. 31.07.15

(#) Ceased as Director w.e.f. 03.01.16

(**) Appointed as Director w.e.f. 31.07.15

(##) Appointed as Director w.e.f. 23.01.16

(***) Ceased as Director w.e.f. 18.02.16

(###) Appointed as Director w.e.f. 27.01.16

COMMITTEE OF THE BOARD

General Insurance Corporation of India has six Board level Committees, viz. Audit Committee, Investment Committee, Corporate Social Responsibility, Enterprise Risk Management, Remuneration and Ethics Committee.

AUDIT COMMITTEE

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

- The Audit Committee oversees the financial statements, and disclosure processes both on an annual and quarterly basis. It sets up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms.
- The Committee oversees the efficient functioning of the internal audit department and review its reports and monitors the progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice.

- The Committee is responsible for the recommendation of the appointment, remuneration, performance and oversight of the work of the auditors (internal/statutory/concurrent).

The following are the Members of the Audit Committee for the financial year 2015-16.

- Smt. Snehlata Shrivastava
- Shri Arun Tiwari
- Shri G. Srinivasan (w.e.f. 24.04.2015 upto 30.03.2016)
- Shri Doulat Raj Mohnot (upto 03.01.2016)
- Shri G. C. Gaylong (w.e.f. 18.02.2016)

**STATEMENT SHOWING NUMBER OF AUDIT COMMITTEE MEETINGS ATTENDED BY
THE MEMBERS DURING THE PERIOD APRIL 2015 TO MARCH 2016**

Name of Members	Date of Meetings					
	24.04.15	30.05.15	17.07.15	04.09.15	30.11.15	18.02.16
Smt. Snehlata Shrivastava	Present	Present	Absent	Absent	Present	Present
Shri. Arun Tiwari		Present*				Present
Shri G Srinivasan	Absent	Present	Absent	Present	Present	Absent
Shri D.R. Mohnot	Present	Present	Present	Present	Absent	Ceased**
Shri G C Gaylong						Present***

(*)Appointed w.e.f. 17.07.2015 and ceased as committee reconstituted on 19.08.2015

and again appointed w.e.f. 03.02.2016) (**)Ceased as Director w.e.f. 03.01.16

(***) Appointed as Member w.e.f. 18.02.16

INVESTMENT COMMITTEE

GIC Re has an Investment Committee consisting of the CMD, 2 non-executive Directors, CIO, CFO and Appointed Actuary.

- The Committee lays down annual investment policy and provides oversight to investment operations of the Corporation.
- The policy focuses on a prudential Asset Liability Management (ALM) supported by robust internal control systems. The investment policy and operational framework inter alia, encompass aspects concerning liquidity for smooth operations, compliance with prudential regulatory norms on investments, risk management/mitigation strategies to ensure commensurate yield on investments and above all protection of policyholders' funds.

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

The members of the Investment committee of the Board for the financial year 2015-16 were:

1. Shri A.K. Roy (upto 31.07.2015)
2. Shri K Sanath Kumar (From 04.09.2015 to 18.02.2016)
3. Smt. Snehlata Shrivastava
4. Shri G. Srinivasan (w.e.f. 24.04.2015 upto 30.03.2016)
5. Shri G C Gaylong (w.e.f. 03.02.2016)
6. Shri A.K. Garg (upto 18.02.2016)
7. Shri N. Mohan (upto 31.05.2015)
8. Smt. Alice G. Vaidyan CFO (w.e.f. 13.06.2014 upto 04.09.2015)
9. Shri V C Jain (w.e.f. 04.09.2015)
10. Shri S Tripathy CIO (w.e.f. 13.08.2015)

**STATEMENT SHOWING NUMBER OF INVESTMENT COMMITTEE MEETINGS ATTENDED BY
THE MEMBERS DURING THE PERIOD APRIL 2015 TO MARCH 2016**

Name of Members	Date of Meetings				
	24.04.15	30.05.15	04.09.15	30.11.15	18.02.16
Shri A.K. Roy	Present	Present	Ceased*		
Shri K. Sanath Kumar			Present**	Present	Present
Smt. Snehlata Shrivastava	Present	Present	Absent	Present	Present
Shri G. Srinivasan	Absent	Present	Present	Present	Absent
Shri G.C. Gaylong					Present****
Shri N. Mohan	Present	Present	Ceased***		
Shri A.K. Garg, Actuary	Present	Present	Present	Present	Present
Smt. Alice G. Vaidyan (CFO)	Present	Present	Present	Ceased#	Present##
Shri V. C. Jain (CFO)				Present###	Present
Shri S. Tripathy (CIO)			Present@	Present	Present

(*) Ceased as Director w.e.f 31.07.15 (**) Appointed as member w.e.f 04.09.15

(***) Ceased as Member w.e.f 31.05.15 (****) Appointed as member w.e.f 03.02.16

(#) Ceased as CFO w.e.f. 04.09.15(##) Appointed as Director w.e.f. 23.01.16

(###) Appointed as CFO w.e.f. 04.09.15 (@) Appointed as CIO w.e.f. 13.08.15

REMUNERATION COMMITTEE

The Corporation has a Remuneration Committee of the Board of Directors with the following Members for the financial year 2015-16:

1. Smt. Snehlata Shrivastava
2. Shri Arun Tiwari (w.e.f. 24.04.2015)
3. Shri G. Srinivasan (w.e.f. 18.02.2016 upto 30.03.2016)
4. Shri Doulat Raj Mohnot (upto 03.01.2016)
5. Shri G. C. Gaylong (w.e.f. 18.02.2016)

**STATEMENT SHOWING NUMBER OF REMUNERATION COMMITTEE MEETINGS ATTENDED BY
THE MEMBERS DURING THE PERIOD APRIL 2015 TO MARCH 2016**

Name of Members	Date of Meetings
Smt. Snehlata Shrivastava	No Remuneration Committee Meeting held during the period April 2015 to March 2016.
Shri Arun Tiwari	
Shri G. Srinivasan	
Shri Doulat Raj Mohnot	
Shri G. C. Gaylong	

ENTERPRISE RISK MANAGEMENT COMMITTEE

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

- The Committee is supervising implementation of Enterprise Risk Management (ERM) framework which is expected to put in place a robust ERM system for effectively and efficiently managing the various risk exposures;
- The Committee assists the Board in effective operation of the risk management system by performing specialized analysis and quality reviews; maintaining a group-wide and aggregated view on the risk profile of the insurer in addition to the solo and individual risk profile;
- Report to the Board details on the risk exposures and the actions taken to manage the exposures;
- Advise the Board with regard to risk management; decisions in relation to strategic and operational matters such as corporate strategy, mergers and acquisitions and related matters.

The Corporation Enterprise Risk Management Committee of the Board consists of the following members for the financial year 2015-16.

1. Shri A.K. Roy (upto 31.07.2015)
2. Shri K. Sanath Kumar (w.e.f. 04.09.2015 to 18.02.2016)
3. Smt. Alice G. Vaidyan (w.e.f. 03.02.2016)
4. Smt. Snehalata Shrivastava
5. Shri G. Srinivasan (upto 30.03.2016)
6. Shri G. C. Gaylong (w.e.f. 03.02.2016)

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

Shri G.C. Gaylong, General Manager & Director

Shri B. N. Narasimhan, General Manager

Shri Pauly Sukumar, General Manager

Smt. Madhulika Bhaskar, Deputy General Manager – Chief Risk Officer

STATEMENT SHOWING NUMBER OF ENTERPRISE RISK MANAGEMENT COMMITTEE MEETINGS ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2015 TO MARCH 2016

Name of Members	Date of Meetings			
	24.04.15	30.05.15	04.09.15	30.11.15
Shri A.K. Roy	Present	Present	Ceased*	
Shri K. Sanath Kumar			Present**	Present
Smt. Snehlata Shrivastava	Present	Present	Absent	Absent
Shri G. Srinivasan	Absent	Present	Present	Present

(*) Ceased w.e.f. 31.07.15 (**) Appointed as Director w.e.f. 31.07.15

ETHICS COMMITTEE

GIC Re has put in place a 2-level Ethics Committee of which one is at the management level while the other is at the Board level. The set-up provides a robust support to the whistle-blowing mechanism where maintenance of confidentiality is of prime importance to provide adequate comfort level to the employees of the Corporation.

The members of the Ethics Committee (Board) for the financial Year 2015-16 are:

1. Shri A.K. Roy (upto 31.07.2015)
2. Shri K. Sanath Kumar (w.e.f. 31.07.2015 to 18.02.2016)
3. Smt. Alice G. Vaidyan (w.e.f. 03.02.2016)
4. Smt. Snehlata Shrivastava
5. Shri G. Srinivasan (upto 30.03.2016)

The members of the Ethics Committee (Management) are:

1. Shri G.C. Gaylong, General Manager & Executive Director
2. Shri D.R. Waghela, General Manager
3. Shri B.N. Narasimhan, General Manager

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

As per section 135 of Companies Act 2013, Companies fulfilling the criteria about Net Worth, Net Profit, and Turnover have to contribute 2 percent of three years average net profit for Corporate Social Responsibility.

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

The members of the Corporate Social Responsibility Committee for the financial year 2015-16 were:

1. Shri A.K. Roy (upto 31.07.2015)
2. Shri K. Sanath Kumar (upto 18.02.2016)
3. Smt. Alice G. Vaidyan (w.e.f. 18.02.2016)
4. Smt. Snehlata Shrivastava
5. Shri Doulat Raj Mohnot (upto 03.01.2016)
6. Shri G. Srinivasan (w.e.f. 03.02.2016 to 30.03.2016)
7. Shri G. C. Gaylong (w.e.f. 03.02.2016)

Name of Members	Date of Meetings		
	24.04.15	04.09.15	30.11.15
Shri A.K. Roy	Present	Ceased*	
Shri K. Sanath Kumar		Present**	Present
Smt. Snehlata Shrivastava	Present	Absent	Present
Shri D.R. Mohnot	Present	Present	Absent

(*) Ceased w.e.f. 31.07.15 (**) Appointed as Member w.e.f. 31.07.15

INDEPENDENT DIRECTORS MEETING:

As per section 149(8) of Companies Act 2013, Corporation has not conducted an Independent Directors Meeting due to only one independent director on the Board of Directors i.e. Mr. Doulat Raj Mohnot and he also ceased to be Director w.e.f. 03.01.2016.

KEY MANAGERIAL PERSONNEL

As per section 2(51) and section 203(1) Companies Act 2013 following are the key managerial personnel of the Corporation.

1. Chairman & Managing Director : Mrs. Alice G. Vaidyan (w.e.f. 23.01.2016)
: Mr. K. Sanath Kumar (Acting CMD w.e.f. 31.07.2015-23.01.2016)
: Mr. A. K. Roy (upto 31.07.2015)
2. Chief Executive Officer : Mrs. Alice G. Vaidyan (w.e.f. 23.01.2016)
: Mr. A. K. Roy (upto 31.07.2015)
3. Company Secretary : Mrs. Suchita Gupta
4. Chief Financial Officer : Mrs. Alice G. Vaidyan (upto 04.09.2015)
: Mr. V.C Jain (w.e.f. 04.09.2015)

As per IRDA Act 1999, following are the key managerial personnel of the Corporation.

- | | |
|-----------------------------|---|
| 1. Chief Executive Officer | : Mr. Alice G. Vaidyan (w.e.f. 23.01.2016) |
| | : Mr. A.K. Roy (upto 31.07.2015) |
| 2. Chief Marketing Officer | : Mr. G.C. Gaylong |
| 3. Appointed Actuary | |
| (General Insurance) | : Mr. A.K. Garg (upto 31.03.2016) |
| (Life Insurance) | : Mrs. Padmaja R. |
| 4. Chief Investment Officer | : Mr. N. Mohan (upto 31.05.2015) |
| | : Mr. Satyajit Tripathy (w.e.f. 13.08.2015) |
| 5. Chief of Internal Audit | : Mr. G.C. Gaylong |
| 6. Chief Finance Officer | : Mrs. Alice G. Vaidyan (upto 04.09.2015) |
| | : Mr. V.C Jain (w.e.f. 04.09.2015) |
| 7. Chief Risk Officer | : Mrs. Madhulika Bhasker |
| 8. Chief Compliance Officer | : Mrs. Suchita Gupta |

CERTIFICATE OF COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

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

Suchita Gupta
Deputy General Manager & Company Secretary

CSR ACTIVITIES

1. **Adoption of 20 Cancer Patients**

As a part of our association with CPAA (Cancer Patient's Aids Association) we have continued various activities with them. A major one being adoption of cancer patients.

We sponsor ₹ 60,000/- per patient for cancer treatment per year. This amount covers post-surgical rehabilitation, economic support for patient and their families; emotional and spiritual counseling and accommodation during treatment.

2. **CPAA Tempo Traveller :**

A large majority of patients coming to Tata Memorial Hospital & other government hospitals from all over the country for surgery and post surgical treatment like radiotherapy, chemotherapy, etc are offered free transportation services by CPAA.

Free transport is provided to patients

GIC has donated a 13 seater tempo traveler to CPAA

3. **Childhood Malnutrition Control and Prevention Programme in the Govandi Dumping grounds area in Mumbai**

This initiative is aimed basically for the slum children approx. 4000 (under the age group 1-6 years) in the Rafiqnagar slums near Govandi Dumping Grounds in Mumbai.

This initiative will help create awareness among these dwellers about health, hygiene and sanitation. Regular medical camps will be conducted for children. Nutrition powder and supplements will be provided to them.

All these programmes will be implemented by Concern India Foundation along with Niramaya.

4. **Health and Sanitation Initiatives through Sulabh International Social Service Organisation**

GIC would bear the cost of refurbishing/renovation of existing Sulabh Toilet Complex, in Mumbai City limits at various locations.

M/s Sulabh International Social Service is a nonprofit voluntary organisation and the Advantages of Sulabh Flush Composting Toilets is that they are hygienically and technically appropriate and are easy to maintain due to their pay and use system. Their system of construction also ensures that the ground water does not get polluted. GIC Re has associated with them in renovating the existing toilet blocks in Mumbai at the various locations.

5. **Shiroshi and Talyacha pada - Village Adoption**

Jawhar is one of the most remote tribal blocks of Palghar districts. The area is surrounded by the Mokhada, Vikramgad, Dahanu blocks. The area is hilly with forest, where natural diversity is observed in forest as well as in crop.

While villages in the region receive copious rains during the monsoon season, prominent hill ranges, isolated hillocks, undulations in the district allow the shallow soil to quickly saturate with water resulting in over owing wells. Further, due to poor storage and naturally sloping topography, water from these wells and natural aquifers ow rapidly into the sea. As a result, the area becomes dry from November onwards causing tremendous stress on villages and their communities. The main source of income is rain fed agriculture and crops grown are paddy, finger millets and other crops. Jawhar consisting 109 revenue villages with total population of 1,11,039. One such village is Shiroshi which is surrounded by Mokhada in East, Vikramgad towards west. Women have to walk

CSR ACTIVITIES

miles every day to fetch water from local resources for drinking as well as for other necessities. They end up wasting nearly 4 – 5 man hours of their productive time which could have been utilized towards livelihood generating initiatives

Establishing safe drinking water supply for both villages by community participation and creating awareness on health and hygiene. Before GIC Re initiated programmes there in association with MITRA (Maharashtra institute of Technology for Rural Areas) women of the village spent 4 to 5 hrs every day to fetch water. It led to physical exertion, loss of earnings and inability to explore other livelihood opportunities. This also lead to girls dropping out from the schools to support their mothers in daily chores and to look after their siblings.

The programmes initiated here have ensured safe and regular drinking water to the villagers; explore alternate farming opportunities; setting up of Kitchen gardens for healthy living and developing infrastructure for a small school.

Self-help groups have been formed in Shiroshi with a corpus collected from most of the families to manage the running costs of the filtration system installed. To promote healthy living and also to ensure ways and means to prevent wastage of water MITRA has trained the villagers to set up kitchen gardens. Chilli saplings, mixed vegetable seed kit and fruit bearing plants were distributed to the families.

6. Phase II Nezabhari- Village Adoption

As per our village adoption policy, we associate with the village for a period of 3 years to ensure that the programmes that are initiated in the first phase become sustainable and self-reliant. Last year, a community hall and toilet blocks were built and 4 hand pumps were installed in Nezabhari. Solar lamps were also distributed to needy school children. To extend the association in the current

financial year, free medical camps are held for the villagers of Nezabhari. The cost of health camps is borne by GIC Re. These health camps, have brought down the spread of communicable diseases. These camps also create awareness on lifestyle diseases like diabetes and hypertension. The villagers are now more careful about their eating habits and more conscious about their health. Continuing with the community hall and toilet blocks, this year to ensure viability of the same programme and to maintain aesthetic value a boundary wall and gate has been installed around the same campus.

"GIC has donated 12 lakhs for these programmes in Nezabhari"

7. BMVSS Jaipur

BMVSS is registered as a society under the Rajasthan Societies Registration Act on 25th March 1975 and is the world's largest organisation for the disabled. They are a secular, non-governmental, non-political, non-regional institution helping the physically challenged specially the financially weak and underprivileged.

The main objective of BMVSS is to provide mobility and dignity to the amputees especially to those who are below poverty line. They provide amputees and polio patients artificial limbs and other aids and appliances totally free of charge.

Around 125-150 amputees and polio patients visit their premises on any given day. The cost of the artificial limb is ₹ 3500/-. But all the services are provided totally free of charge. Besides, all beneficiaries, are treated alike. No distinction is made on any basis. They have evolved special sensitive patient centric management system to deal with large number of beneficiaries who are poor, neglected, underprivileged and often uneducated. The Jaipur foot is the only non articulated foot in the world that provides mobility in all 3 planes i.e. Dorsi flexion, Inversion/Eversion and transverse rotation.

CSR ACTIVITIES

BMVSS provides limbs, aids and appliances, wheel chairs, hand paddled cycles, crutches, etc to all the disabled beneficiaries at its centres FREE OF COST. The Jaipur foot enables amputees to walk, run, trek, swim, sit cross legged, walk on uneven terrain, work in wet muddy fields, etc.

GIC Re has **This year committed an amount of ₹ 25.00 lakhs.**

8. **Financial Assistance of ₹ 10.01 lakh for providing Economic Aids to the disabled persons through BMVSS.**

As a part of our initiative to provide support to the physically handicapped, it was felt that after a person receives fitment of artificial limbs/or calipers, something should be done to provide economic stability to them.

Hence it was decided to provide economic assistance to the disabled who have already been supported for physical rehabilitation. Under this, disabled would be given low cost, quick maturing self-employment so that after getting physically rehabilitated they start earning income and become economically rehabilitated also. This is a concept of comprehensive rehabilitation covering both the physical and economic aspects. GIC Re has been working in this field along with BMVSS from the last financial year

Over 95% of its beneficiaries are below the poverty line. BMVSS is also the implementing agency for the ADIP Scheme of Government of India in the Ministry of Social Justice & Empowerment. Most of the beneficiaries are from BPL category and the underprivileged sections of society. **GIC Re has contributed an amount of ₹ 10.01 lakhs for this project.**

9. **Financial Assistance of ₹ 3.45 lakh for providing Mobile Jaipur foot camp through BMVSS Mumbai branch at Cuffe Parade ON 7th and 8th September, 2015.**

As a part of our initiative to provide support GIC Re had sponsored a mobile Jaipur foot camp at Cuffe Parade on 7th and 8th September, 2015. The mobile camp was organized for fitment of artificial limbs (Jaipur foot) and calipers for the disabled at Macchimar Nagar, Captain Prakash Pedhe Marg, Opp. Badhwar Park, Cuffe Parade, Mumbai. This camp was conducted through Bhagwan Mahavir Viklang Sahayak Samiti (BMVSS- Mumbai Branch). About 70 beneficiaries have benefitted from this camp.

The following accessories were distributed to the beneficiaries i) Limbs 29, ii) Calipers 32, iii) Crutches 8 iv) Walker 2 v) Stick 2 vi) Elbow 7, vii) Wheel chair 9 and viii) Tricycle 6

Limbs:

GIC has contributed an amount of ₹ 3.45 lakhs for this mobile camp.

10. **NAB-PROVISION OF BRAILLE KITS**

The National Association of Blind (NAB) is empanelled with us and their main focus area is empowerment of visually impaired persons by way of education and vocational skill development. NAB is more than 60 years old was founded in 1952.

According to NBA estimate India has a population of 1.5 lakhs School going visually impaired children. There are about 300 special schools for the blind altogether educating about 30,000 visually impaired children. There are about 50 voluntary organizations in the country operating integrated education programmes, wherein about 10,000

CSR ACTIVITIES

visually impaired children get education in regular schools. All these visually impaired children require basic educational devices needed for writing Braille, arithmetic, geometry, etc. Every blind child must have a braille kit to enable him/her to pursue further studies.

NAB Department of Education for several years has been distributing Braille kits free of cost to schools for the blind and implementing agencies in India. The cost of Braille kit is about ₹ 1200/-. All school going children are given this kit at the commencement of their formal education. One kit can last for about 4-5 years. With the help of these kits they can study all subjects that a sighted child can. **GIC Re has contributed 1000 braille kits.**

11. **Financial Assistance for providing Stitching Machine and Zinc Plates to National Association of Blind.**

The Braille Press produces and circulates a wide range of periodicals, and general books for blind individuals & institutions for the blind all over India. All the books produced by the Braille Press are supplied either free of cost or at one sixth of the cost of production. The Braille Press has the capacity to produce about 70,000 braille volumes running into more than one crore pages in a year. GIC Re has provided them with a stitching machine.

By providing them this machine, they save considerable time and labour. Such machine can bind about 500 volumes in 8 hours. **GIC Re has contributed an amount of ₹ 6.18 lakhs towards purchase of stitching machine.**

At present, NAB uses Aluminum plates for printing Braille press books, which are required in large quantities especially Marathi medium school textbooks. They use aluminum plates for the master copies to be used on the Plate Embossing Machine. The dots on aluminum sheets get worn out or flatten after some time resulting in poor quality of Braille books. These aluminum sheets cannot be reused. Zinc plates have a long life and

remain undamaged even after 20-25 years. These can be recycled once a book is no longer in syllabus; the master plates can be flattened and reused. GIC Re has contributed an amount of ₹ 8.25 lakhs towards purchase of zinc plates *for this purpose.*

12. **Sponsoring the Biochemistry machine for CPAA at their Diagnostic center at Naigaon center.**

The CPAA diagnostic center was started in 1998 and they conduct pathological tests alongwith radiological investigations to general public. The patients who come to the center are mostly referred by local doctors especially being situated in the hospital zone like Tata Memorial hospital, Wadia Children' Hospital and KEM Municipal Hospital.

The Naigaon center offers free service to the layman on every Tuesdays (normally this is done by word of mouth). All cancer policy holders can avail of various health checkups on Wednesdays. CPAA has been given this space to conduct their activities by BMC in their gynecological ward at Naigaon. **GIC Re has provided them with a bio chemistry machine costing ₹ 13.77 lakhs.**

13. **Contribution to Bhagwan Mahaveer Viklang Sahayata Samiti, Hyderabad (timeline 6 months)**

GIC Re has also tied up with the Hyderabad center of BMVSS. To contribute funds for all patients who avail their facility for a period on 6 months starting 16th October, 2015 to 15th March, 2016. **GIC Re has contributed ₹ 15.60 lakhs towards the same.**

14. **Contribution to Bhagwan Mahaveer Viklang Sahayata Samiti, Delhi (timeline 2 months)**

CSR department has tied up with their Delhi Center as well at Ahimsa Bhavan, Shankar Road Crossing, New Rajendra Nagar, New Delhi for contribution for funds for patients at their center for two months (starting 2nd November 2015). This contribution will help about 650 disabled beneficiaries to regain their mobility and dignity through fitment and

CSR ACTIVITIES

provision of Jaipur aids and appliances such as crutches, wheel chairs and hand paddled tricycles. **GIC Re has contributed an amount of ₹ 23.50 lakhs for this initiative.**

15. Contribution for MID-day Meal Scheme through Annamitra.

The Midday Meal Scheme is a school meal programme of the Government of India designed to improve the nutritional status of school-age children nationwide. The programme supplies free lunches on school days for children in Primary and Upper Primary Classes in Government, Government Aided, Local Body, Education Guarantee Scheme, and Alternate Innovative Education Centers, Madarsa and Maqtabas supported under Sarva Shiksha Abhiyan, and National Child Labour Project schools run by the Ministry of Labour. It services about 120,000,000 children in over 1,265,000 schools and Education Guarantee Scheme centers, it is the largest such programme in the world.

A majority of the student population in India is still unable to get even one complete square meal for the day, only because they are stuck in the vicious circle of poverty and illiteracy. This scheme helps to fight malnutrition, to improve the effectiveness of primary education

Each annamrita kitchen is equipped with the best technology to aid bulk cooking, including heavy-weight vegetable-cutting, potato-peeling machines, steam cookers for fuel efficiency that also retain 100% of nutrients and an ecofriendly infrastructure. GIC Re has contributed ₹ 24.75 lakhs towards this scheme which would help feed children for one year at their Mira Road, Jamshedpur, Kolkata, Ujjain, Jaipur, Pune as well as Palghar centers .

16. Contribution for an Ultra sound Machine for Rural Development Trust Hospitals at Mannanur, Achampet area, Andhra Pradesh.

RDT is an NGO at Anantapur, Rayalaseema Region of Andhra Pradesh and basically focuses on areas like Education, Women empowerment, Community Health, including HIV/AIDS, Hospitals, Community Habitat, Green Initiatives, etc. Achampet and Srisailam areas comprise of population belonging to Chenchu tribes and BC communities residing in deep forest areas where no proper medical facilities are available. It covers nearly 50 villages in 3 mandals of Amarabad, Achampet & Lingala. GIC Re has contributed towards an ultra sound facility at Mannanur clinic. Contribution of this facility will be useful for the poor tribals, mostly relating to women's pregnancies and child birth issues.

GIC Re has contributed approximately 14.96 lakhs towards this programme.

17. Contribution for an Ambulance Machine for Rural Development Trust Hospitals at Kanekal in Anantpur, Andhra Pradesh

RDT runs three Hospitals located in different remote areas of Anantapur District to provide medical services to the underprivileged rural population.

The hospital provides round the clock ambulance facility to refer the patients in emergency or to transfer the patients who need tertiary level treatment.

This ambulance facility is considered to be vital. **GIC Re has contributed an amount of ₹ 14.96 lakhs towards this initiative.**

18. Contribution of fees for Canteen Boys.

GIC Re have about 15 canteen boys who serve tea/ coffee and carry out other services in Suraksha. As a special initiative, we are contributing to the fees

CSR ACTIVITIES

of all the canteen boys who are availing night school facility. To help them further their education, **GIC Re has contributed ₹ 25,500/- towards their fees.**

19. **Support for the Comprehensive Day Care Programmes of Mumbai Mobile Creche**

MMC is an NGO which was set up in 1972. They have centers at construction sites. At present they have 23 centers across Mumbai, Navi Mumbai and Thane. They provide nutritional and educational support to the children of migrant workers who work on Construction site.

The children of these workers fall in high risk section of society.

20. **Livelihood Generation for Self Employment to the Blind**

22 beneficiaries have benefitted from this scheme. GIC RE has contributed ₹ 22.00 lakhs for the same. We have provided them popcorn machine; Xerox machine, stitching machine and flour mill. on 4th January, 2016 which is the Louis Braille day these items were distributed to the various beneficiaries at their Worli center.

21. **Contribution for Mobile Van through Akshaypatra**

Vehicles are a crucial link in the process of meal distribution to children, without which the program is incomplete. **GIC Re has contributed towards purchase of TATA mobile van and Swaraj Mazda. The van will be used in Hubli and Bellary.**

22. **GIC Re has also contributed funds to support the feeding students @ ₹ 750 per child for academic year 2015-2016 at their Bangalore, Mangalore, Hyderabad, Puri and Bhubhaneshwar, Bellary centers.**

23. **Medical camp at Silvassa through CPAA.**

GIC Re has contributed 3.50 lakhs towards towards a health camp at Silvassa through CPAA.

24. **Medical camp at Imphal, Manipur through CPAA**

Like in Silvassa, a similar camp was conducted with GIC Re Cooperation at Imphal, Manipur through CPAA on the 26th and 27th November, 2015.

25. **Renovation of Mumbai Mobile Creche at Khindipada, Mulund East through Concern India Foundation**

GIC Re has contributed ₹ 8.05 lakhs towards repair and restructuring of this creche.

26. **Contribution of Funds of disabled inmates at Swapna Nagariproject working in Cashew Processing Training Unit**

Helpers of the Handicapped, Kolhapur' (HHK)

HHK caters to the disabled persons from economically backward rural areas.

GIC Re has contributed a sum of ₹ 46 lakhs towards construction of quarters for the disabled in Swapna Nagari

27. **Mobile Jaipur foot camp at Mumbai**

We have already conducted a mobile Jaipur foot camp at Cuffe Parade through BMVSS Mumbai Branch.

If approved, it is suggested that we contribute an approximate amount of ₹ 19,00,000/- towards cost of camp in Buldhana to BMVSS Mumbai. Approximately 792 beneficiaries are covered during the camp. The camp was held over the period of 8 days. The sole credit for the camp goes to Mr. Vyas who held the BMVSS Mumbai center. It was his and his entire team's total initiative to get

CSR ACTIVITIES

put people on the drive and endure that the information reached the disabled and the underprivileged. **GIC Re has contributed approx. ₹ 19.00 lakhs towards a programme by BMVSS Buldhana.**

28. **Village Adoption : Phayeng and Thanga Part II, Manipur**

The Department had written to the Rural Development and Panchayati Raj to all States in India in the month of July, 2015. Manipur was one of the few states to respond positively on this issue. GIC Re has adopted Phayeng and Thanga Pat II in Manipur. Promotion of Green and Energy efficient technology was one of the programmers implemented here. Also tree plantation has been taken up in an area of 40 hectares. Solar lamps are also being put up at 40 locations in both the villages.

Other initiatives include capacity building which includes empowerment and environment protection. Also initiatives in piggery and poultry have been implemented.

29. **Village Adoption : Vengurla through Swachhch Bharat Mission**

The CSR department wanted to reach out to the underprivileged through out the country. The state ministry of Maharashtra have responded positively and one of the towns adopted by GIC Re is Vengurla.

It is one of the only councils to have developed the unique model of segregation of waste at source.

GIC Re has contributed funds for reconstruction of Sulabh toilet complex blocks at their market square. 2 garbage vans and 2 mobile toilets for the floating population on the beach is also donated by GIC Re.

30. **Distribution of School Accessories through SUADHA**

Social Upliftment and Development for Health Action (SUADHA): – Is a non – governmental organization working for last six years on different health issues as well as social causes and to ensure upliftment of the poor and needy people. Approximately 1740 students were covered in this drive with financial help from GIC Re.

31. **Contribution to Swachchh Vidyalaya Campaign Scheme**

GIC Re had contributed to this scheme ₹ 15.00 crore.

32. **Contribution of Funds to Tamil Nadu Chief Minister's Fund**

The 2015 Chennai floods cause tremendous damage in the Southern parts of the country especially in Tamil Nadu.

To ensure rehabilitation measures GIC Re contributed ₹ 3.00 crores towards the Tamail Nau Chief Ministr's Relief fUND.

33. **Clean Ganga Mission**

Untreated sewage, industrial waste, reduced flow and rampant underground water withdrawals affect millions of people who depend on for their water needs on Ganga's water.

GIC Re has contributed ₹ 15.00 crores for Swachh Ganga Abhiyaan.

34. **Plantation activity in Barmer area of Thar Desert.**

Sankalp Taru is a technology enabled NGO "planting trees for the people, by the people" in the dessert state of Rajasthan.

CSR ACTIVITIES

Fast-growing, native species with high productivity are recommended for restoring the lands in order to increase productivity and enrichment of biodiversity. GIC Re has contributed an amount of ₹ 20.30 lakhs towards this plantation drive.

35. Village Adoption : Kawalailung and Chhaitlung, Mizoram

GIC Re has contributed ₹ 50.00 lakhs for both the villages.

36. Livelihood Generation through Retail Shops : BNGVN

Driven by the desire of developing her native place- Bahadarpur, Ms. Nilima Mishra, has initiated, 'Bhagini Nivedita Gramin Vidnyan Niketan' Bahadarpur, Jalgaon. Focuses on 'helping people to help themselves.'

GIC Re has contributed ₹ 22.62 lakhs for this programme on livelihood generation.

37. Solar System installation in Matoshree Vruddharam, Than

The Govt of Maharashtra started this home for aged in Nov 1995.

GIC Re has contributed all funds for installation of the solar system at Matoshree Vrudhashrum.

38. Construction of School cum Community Center at Anantpur Andhra Pradesh through Rural Development Trust.

GIC Re contributed funds estimated approx ₹ 22.00 lakhs for construction of school cum community center at three locations viz: Yerronipalli and Yedugurralapalli & Dubbarlapalli of MAMILLAPALLI area of Anantapur District Andhra Pradesh.

39. Integrated Education Programme through National Association for Blind.

GIC Re has contributed ₹ 23.00 lakhs towards Integrated Education Programme. 233 Visually Impaired children/students receive the benefit of this system.

40. Contribution for Acupressure & Massage and Physiotherapy courses for visually impaired through National Association for the Blind.

GIC RE has sponsored 2 batches of 15 students each amounting to ₹ 15.60 lakhs.

GIC RE has sponsored 2 batches of 15 students each amounting to ₹ 6.00 lakhs.

41. Contribution for Rehabilitation Courses for visually impaired through National Association for the Blind

Basic Rehabilitation Course

The course makes a blind person realize the Three A's – Accept blindness, Adjust to blindness and Achieve despite being blind. This cost-free training course is conducted twice a year. Each batch is of 3½- month duration. The 30 trainees admitted per batch are given intensive training to develop skills in Activities of Daily Living which covers: Self-care (brushing, bathing, grooming, eating, etc.); Orientation & Mobility (safe indoor and outdoor travel techniques using the White Cane); Home Management (sweeping, making bed, simple mending, cooking, ironing, sewing, identifying currency and so on); Communication (Braille reading and writing); social etiquette etc. Confidence-building to lead a normal and productive life takes place through activities like physical training, participation in sporting and cultural activities, visits to public spaces, familiarization with public transport etc. Trainees

CSR ACTIVITIES

are also provided vocational guidance, exposure to work avenues open to them and assistance in identifying occupation that suits them most. GIC Re has sponsored 2 batches of candidates for basic rehabilitation course to an extent of ₹ 12.96 lakhs Short-term Need-based Courses

Course for Adolescent: This preparatory course gears up for adult life, youth in transition age – primarily those who appear for secondary/higher secondary exams. Trainees are introduced to community-based experiences; given career guidance through lectures; and trained in disability-specific skills, physical fitness and basics of day-to-day chores. The program helps them recognize and manage the physical, psychological and emotional changes they go through during this transitional phase, and gives them the confidence to pursue further education. The duration of the course is for a month and a half. GIC Re has sponsored a batch for course for adolescents for a cost of ₹ 3.45 lacs.

Vocational Training Course:

GIC Re has contributed funds for one batch of 30 candidates for vocational training courses to ₹ 4.05 lakhs.

Women's Special Course:

For this full-time course exclusively designed for all-round development of visually challenged women GIC Re has sponsored amounting to ₹ 3.45 lakhs.

42. CPPAA Belgaum Cancer Screening Camp

43. Livelihood Generation through Poultry Farming for the Tribal Women in Purulia, West Bengal

The project GIC Re has approved a project to bring livelihood to 300 tribal women at Kashipur Block in Purulia district of West Bengal through poultry farming.

44. Construction Of classrooms in Rebecca Bellilious English School run by Samaritan Help Mission

GIC RE has contributed an amount of ₹ 25.00 lakhs for this purpose.

45. Ultra sound Machine for Rotary Ambala Cancer and General Hospital.

Rotary Ambala Cancer Detection and Welfare Society is a Non-profit NGO that has established Rotary Ambala Cancer and General Hospital with a motive to provide quality treatment at affordable price.

GIC Re has contributed ₹ 25.00 lakhs towards purchase of ultra sound machine.

46. Mobile Jaipur Foot Camp at Jalna

GIC Re has contributed ₹ 19.00 lakhs.

47. CANCER DETECTION CAMPS THRU' SUADHA

Social Upliftment and Development for Health Action (SUADHA) had proposed to do whole body cancer screening on 12th and 19th March 2016 for 200 women. They have covered approximately 100 women each Saturday. Each day they would cover approximately 100 women. The whole body checks up were conducted for the underprivileged women from in and around Kalyan. These women were from the underprivileged section of the society (mostly working as housemaids).

48. Contribution to Bhagwan Mahaveer Viklang Sahayata Samiti, Bangalore (camp 01.01.16 to 09.01.16)

GIC Re has contributed an amount of ₹ 25.00 lakhs for this initiative.

48. GIC Re Scholarships 2015-16

GIC Re provides scholarships to students of National Insurance Academy (NIA) who are enrolled every year in the PGDM course.

ECONOMIC ENVIROMENT

India today stands out as a haven of stability and an outpost of opportunity. Its macro-economy is stable, founded on commitment to fiscal consolidation and low inflation. Its economic growth is amongst the highest in the world.

These have of course been helped by reorientation of the public spending on public infrastructure. Also, it is remarkable not in the least because these have been achieved in the face of adverse global headwinds and a second successive season of poor rainfall.

Indian economy has put up a creditable performance when compared to other countries, however when gauged on its own potential on what it can achieve in the medium term and long term, though steady progress is being made and there is still scope for translating this potential into reality.

As the Indian economy synchronises with the global economy, it would certainly be affected by any crisis or turmoil that shakes up the global economy.

During the fiscal 2015-16, the Indian economy grew at a five-year high growth rate of 7.6 per cent on robust manufacturing growth. There are hopes of this growth rate touching the 8 per cent mark aided by the good performance of the previous year and on the back of good monsoon that the country is now experiencing.

According to the data released by the Central Statistics Office (CSO) the farm sector also rebounded to the growth zone, as against a contraction in previous year, although the rate of expansion was low at 1.2 per cent in 2015--16. The Industry hopes that better monsoon and further reforms will help expand the economy at an even faster pace.

According to International Monetary Fund (IMF), India is expected to grow in a wide range of 7-7.75% in 2016-17 as against 7.6% growth in 2015-16. IMF says that India's growth will continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes. Revival of sentiment and pickup in industrial activity plus a recovery of private investment is expected to further strengthen growth.

Finally, though India has benefitted from falling global oil prices, given its status as a net importer of crude oil, its trade balance has not improved much, given that Indian exports have been contracting for 15 consecutive months.

INDIAN INSURANCE SECTOR DEVELOPMENTS

India's insurance market is expected to quadruple in size over the next 10 years from its current size of INR 400,000 crore. During this period, the life insurance market is slated to cross INR 10.6 trillion.

During April 2015 to March 2016 period, the Indian general insurance industry recorded a 12 per cent growth in Gross Direct Premium underwritten in the Indian market. During this fiscal the Indian non-life Insurance industry wrote a premium of ₹ 96,400 crore.

In the same period the life insurance industry recorded a new premium income of ₹ 1.38 trillion indicating a growth rate of 22.5 per cent.

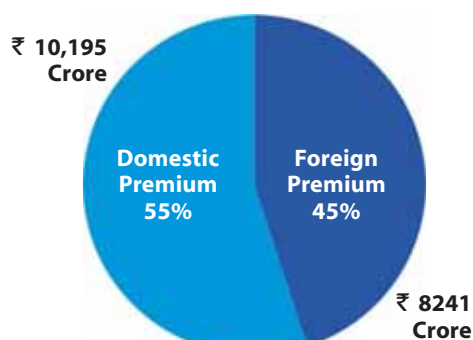
India's life insurance sector is the biggest in the world with about 360 million policies which are expected to increase at a Compound Annual Growth Rate (CAGR) of 12-15 per cent over the next five years.

The insurance industry plans to hike penetration levels to five per cent by 2020. The Indian insurance market is a huge business opportunity waiting to be harnessed. India currently accounts for less than 1.5 per cent of the world's total insurance premiums and about 2 per cent of the world's life insurance premiums despite being the second most populous nation. The country is the fifteenth largest insurance market in the world in terms of premium volume, and has the potential to grow exponentially in the coming years.

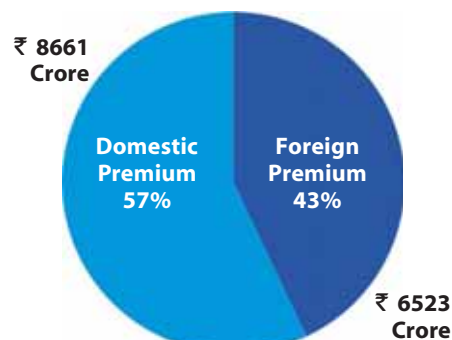
During 2015-16 GIC Re and 11 other non-life insurers jointly formed the India Nuclear Insurance Pool with a capacity of ₹ 1,500 crore (US\$ 220.08 million) to provide the risk transfer mechanism to the operators and suppliers under the CLND Act 2010.

INTERNATIONAL AND DOMESTIC BUSINESS COMPOSITION

Premium Split: 2015-16

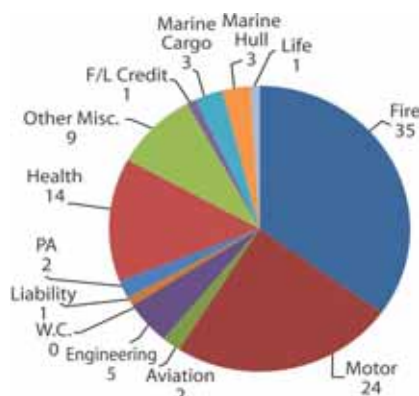


Premium Split: 2014-15

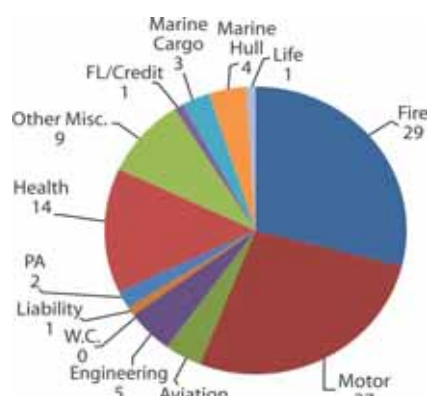


EARNED PREMIUM BREAK-UP

Earned Premium Share (%) 2015-16



Earned Premium Share (%) 2014-15



GIC Re'S BUSINESS PERFORMANCE

The Corporation's gross premium income during the year 2015-16 is ₹ 18436 crore and the income from investments was ₹ 4179.60 crore. Underwriting results show an overall loss of ₹ 1183 crore in 2015-16 compared to an underwriting loss of ₹ 1394 crore in the previous year. The ratio of total business expenses to the earned premium i.e. Combined Ratio stood at 107.08%. The Solvency Margin of the Corporation as on 31st March, 2016 was 3.48.

CLASS WISE PERFORMANCE

FIRE:

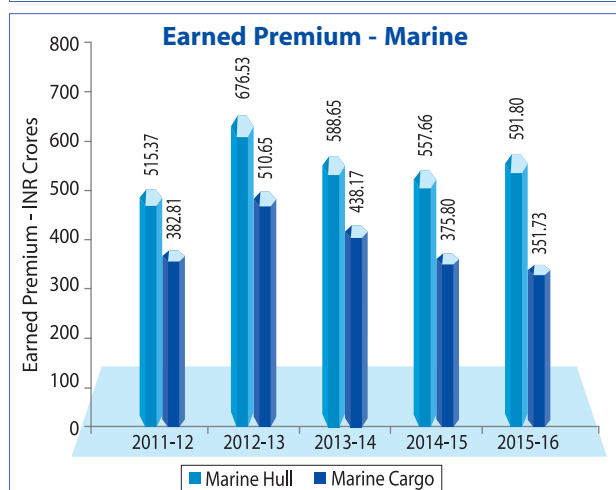
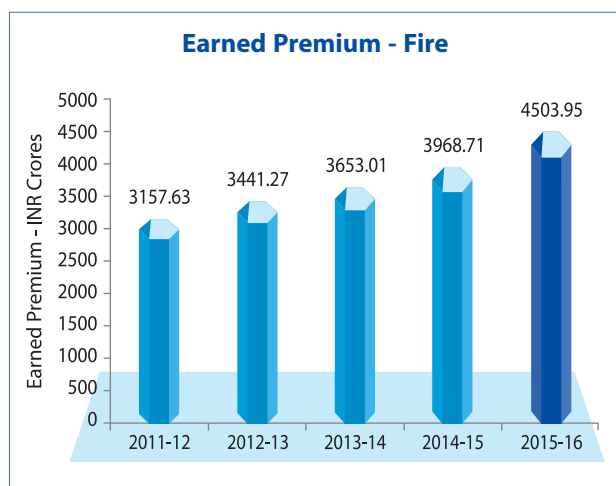
Fire business earned premium for the year 2015-16 was ₹ 4503.95 crore, as compared to ₹ 3968.71 crore in the previous year. GIC Re's domestic premium recorded a growth of 11.31% with ₹ 1159.80 crore, compared to the ₹ 1041.93 crore last year, as a result of higher participation in the treaties of Domestic companies and by providing innovative reinsurance solutions to the market.

GIC Re's foreign inward premium grew by 14.26% with ₹ 3344.15 crore compared to ₹ 2926.78 crore, in the previous year. The growth was largely due to the

contribution made by GIC HO and by its foreign branches, giving GIC Re's fire portfolio, a global spread.

The incurred claims stood at ₹ 3449.22 crore compared to the ₹ 2653.89 crore last year, which is an increase of almost 29.96%, mainly due to catastrophic events like Nepal Earthquake (April 2015), Chennai Floods (November - December 2015) and major risk loss like Tianjin explosion in China (August 2015).

The fire portfolio made an underwriting loss of ₹ 202.94 crore compared to the profit of ₹ 273.86 crore incurred last year. The combined ratio for fire also stood at 104.5% as against the 93.1% for last year.



MARINE HULL

Marine Hull business of GIC Re has shown a moderate de-growth in premium income this financial year over the previous year. The premium de-growth of this year can be attributed to soft market conditions and increased capacity globally resulting in premium reduction in the portfolio. However the results were

improved as there haven't been major losses except Chennai flood which has only marginal impact on hull portfolio. The net premium income this year stood at ₹ 553.07 crore as compared to ₹ 593.48 crore last year.

The decline of premium was also due to competitive pricing and economic recession and soft Reinsurance market. The three branch offices have shown marginal increase in premium while the decline was attributed to the domestic premium de-growth. GIC Re continued its effort of control measures to maintain the rates and deductibles in the domestic market; however the increased presence of international players, aggressive pricing to keep up their foothold in the market had its effects on the domestic market as well. GIC Re considered relaxation in its earlier measures to maintain underwriting discipline with improvement in the domestic portfolio. The increased IBNR provisions also affected the results of head office and branch offices.

GIC Re continues to administer the Hull War risk scheme, Marine Hull pool, monitor the rates and terms and tries to make it more attractive in line with London War risk scheme. GIC Re has started developing a portfolio of port package risk and the results had been encouraging. GIC Re would continue to look positively at the P&I portfolio for both domestic as well as foreign portfolio. GIC Re has increased its participation with respect to Builders risk portfolio in the domestic market in line with the growing investments in this segment and also in the Russian Market.

MARINE CARGO

Cargo premiums continue to be under pressure following the economic slow-down and substantial capacity further driving down prices. GIC Re's overall cargo premium for 2015-16 declined by 11.3% over 2014-15. The net premium income this year stood at ₹ 2997 Mln as against ₹ 3529 Mln last year irrespective of selective & quality underwriting by the Department.

GIC Re has shown slight growth in the domestic premium level as compared to last year, however, the decline has been more pronounced on the foreign business. New regulatory requirements in China and Nigeria has resulted in GIC Re not getting the renewal signings on some treaty accounts. However, GIC Re

continues to seek opportunities in both existing and alternate markets, especially Russia & Iran.

The Chennai Flood loss affecting Marine Cargo is about ₹ 9.34 Mln for GIC Re. Besides other attritional losses on the direct side, coupled with IBNR provisioning has resulted in reduced incurred loss ratio of 61.3% for the year under review as against 94.3% in the previous year.

GIC Re has renewed the two Marine Protection programs i.e. (i) Combined Marine & Energy and (ii) Foreign Hull & Cargo effective 1st May 2016 with increased capacity, more relaxations & flexibility. These programs will enable GIC Re to write more domestic as well as international business with reinsurance protection.

The revival of Indian economy and new policies expected to drive growth, translate in increase in Marine Cargo business. GIC Re will be looking for more opportunities.

OIL AND ENERGY

GIC Re's aim has been to develop the oil and energy portfolio whilst at the same time adopting a disciplined underwriting approach.

The strategy has worked well in that off-shore oil & energy business continues to show growth albeit increase of 10% over the previous year. The combined ratio for 2015-16 stands at healthy 45%. Foreign business predominates with 72.5% of total energy premium, thereby reflecting GIC Re's position as a recognized capacity provider.

The down-ward cycle in crude oil prices resulting in lower capital investment in the energy sector is one area of concern for premium growth. Coupled with substantial energy capacity and no major claims is further driving down prices.

However, with increased capacity and protection for Gulf of Mexico, Iran, etc., GIC would be able to explore more opportunities in these areas.

OTHER MISCELLANEOUS

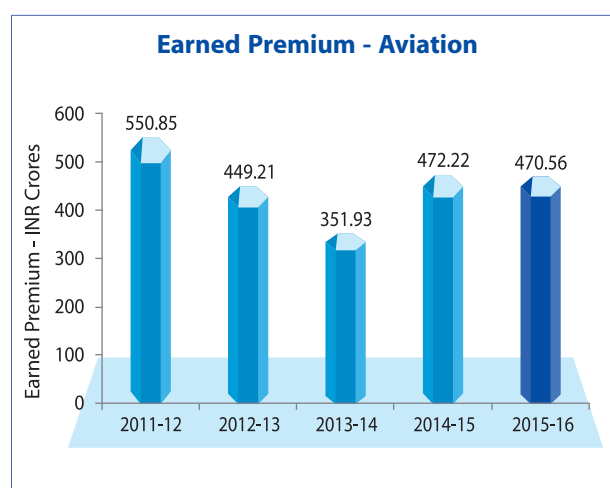
AVIATION

The year 2015 was an impressive year for the airline industry from a safety perspective evidenced by 43

major incidents that led to claims as against the long terms average of 69. Further, there were 469 fatalities during the year as against long term average of 574. The Average fleet values grew by 5% and passenger numbers grew by about 7%. The capacity in the aviation re/insurance market continued to be abundant impacting the rates. The total lead hull and liability premium declined from USD1.4 billion in 2014 to USD1.25 billion in 2015.

Considering the soft trends in the market, GIC Re intended to hold on to its existing book while exploring avenues for diversification of the portfolio and one such initiative was to expand into the Space insurance segment. Though GIC Re has been writing Space Treaty business within Aviation Department, as part of its initiative to bring in diversification, GIC Re has commenced writing space facultative business also.

The aviation portfolio was impacted by Chennai flood losses. However, the robust reinsurance arrangements ensured that the net loss to GIC Re's share remained at ₹ 13.75 crore. The earned premium for 2015-16 was ₹ 470.56 crore marginally below the earned premium of ₹ 472.22 crore for 2014-15. The cautious and selective approach enabled the combined ratio for the portfolio improve from 106.7 in 2014-15 to 86.3 in 2015-16



In 2015 Incurred loss for the year is ₹ 330 crore. The major claims during the year were Flydubai, Losses due to the Chennai Floods, Spice Jet, Asiana Airlines, Airbus, Mexsat Satellite Loss and Air Bagan.

LIABILITY

The Liability portfolio, for Casualty and Financial Lines remained stable. Despite soft market, it continued to experience growth in Liability business, mainly due to increase in awareness of the corporate sector of the liability products. With more companies expanding their Liability portfolios, GIC Re has shown a growth of 30% as compared to 2014-15. Obligatory cessions continued to remain at 5% with increased capping limits of cession for both casualty and financial lines. No major losses have been reported for the financial year 2015-16

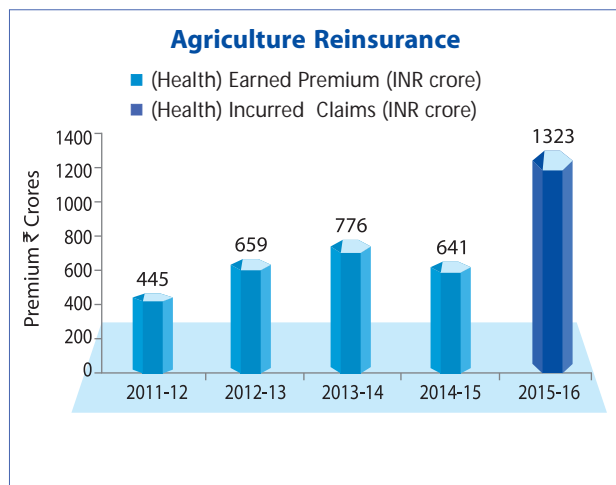
₹ in crore

	2015-16	2014-15	Growth %
Gross Written Premium	150.53	115.35	30.50
Earned Premium	122.60	95.61	28.23
Incurred Claims	58.36	(5.75)*	

* Net losses paid stands at 20.56 crore while outstanding reserve of 26.31 crore was released.

AGRICULTURE REINSURANCE

GIC Re continued its Agriculture Reinsurance portfolio during the year by providing reinsurance support for agriculture and index based weather & yield insurance schemes.



GIC Re's international Agriculture portfolio is well diversified and consists of business from various countries predominantly in Asia.

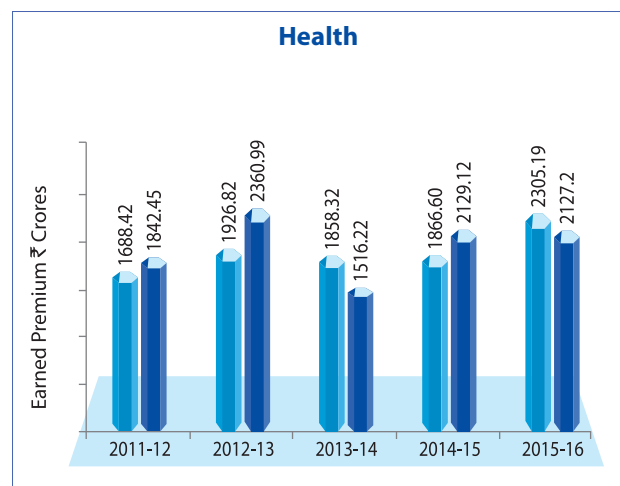
The total Reinsurance premium for Agriculture portfolio accounted in 2015-16 is ₹ 1,323 crore. Out of total premium in 2015-16; Indian market contributes for ₹ 1,295.9 crore while ₹ 29.96 crore is written from rest of the world.

HEALTH

GIC Re's Health portfolio comprises mostly of Obligatory cessions, some selective domestic treaties besides the Health Business written by the foreign branches.

₹ in crore

	2015-16	2014-15	Growth %
Gross Written Premium	2504.19	2104.98	18.97
Earned Premium	2305.19	1866.60	23.50
Incurred Claims	2127.20	2129.12	(0.09)



MOTOR

The Gross / Net Motor Premium during the year 2015-16 was ₹ 4,488.29 crore as against ₹ 3,852.29 crore in corresponding previous year, registering a growth rate of 16.51%.

Earned premium for the year stands at ₹ 4,146.88 crore as compared to ₹ 3,649.07 crore in the previous year, registering commendable growth rate of 13.64%.

Incurred claims for the year were ₹ 3,899.17 crore as compared to ₹ 3,887.44 crore in previous year. There is a fractional increase of 0.30% showing a trend of stability.

(₹ in Crore)

	2014-15	2015-16	Growth %
Gross Written Premium	3,852.29	4,488.29	16.51%
Earned Premium	3,649.07	4,146.88	13.64%
Incurred Claims	3,887.44	3,899.17	0.30%

This fiscal year witnessed motor foreign business registering a remarkable growth and increasing its share of GIC Re's motor portfolio on gross written premium basis by 4.78%. The increase makes portfolio contribution from foreign motor business at 26.48% as compared to 21.71% in the previous year. This shift drives the domestic market share (including obligatory gross premium) to 73.52% of GIC Re's motor portfolio as compared to **78.30 %** in the previous year.

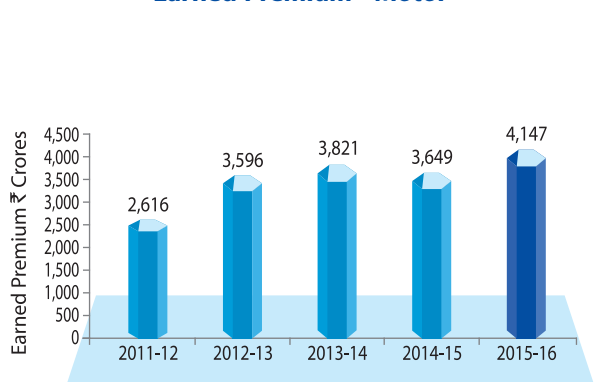
The trend of increasing business contribution from foreign markets is a promising move and in-line with the business strategy of the organisation to attain a 50-50 balance of domestic-foreign market presence. Moreover, it reaffirms the basic principle of reinsurance - 'Spread the risk' across geographic territories & importantly marks expansion of motor business in foreign territories and growing significance of brand 'GIC Re' globally.

Motor Class Portfolio Contribution (GWP Basis)

(₹ in Crore)

	GIC Re	Domestic Market	% of GIC Re	Foreign Market	% of GIC Re
2014-15	3,852.29	3,016.14	78.29%	836.16	21.71%
2015-16	4,488.29	3,299.63	73.52%	1,188.67	26.48%
Growth YOY %	16.51%	9.40%		42.16%	

Earned Premium - Motor



has been constantly endeavoring to provide sufficient capacity to cedants through treaty and facultative arrangements.

₹ in crore

	2015-16	2014-15	Growth %
Gross Written Premium	1646.33	1234.90	33.32
Earned Premium	1224.84	1158.43	5.73
Incurred Claims	1605.49	868.93	84.77

OTHER MISCELLANEOUS

Miscellaneous and PA portfolio has shown positive growth of over 30% in the year 2015-16 The Department

PA

₹ in crore

	2015-16	2014-15	Growth %
Gross Written Premium	380.52	269.13	41.39
Earned Premium	322.41	323.87	(0.45)
Incurred Claims	157.09	206.89	(24.07)

LIFE REINSURANCE

The Indian Life Insurance industry is one of the strongest growing sectors in the country. Currently a US\$ 41-billion Industry, India is the fifth largest life insurance market. Today there are 24 Life Insurance companies operating in India.

Indian Life Insurance has shown growth of 22.55% for new business premium for the year 2015-16. LIC has shown growth of 24.74% whereas Private Insurers have shown growth of 17.63%.

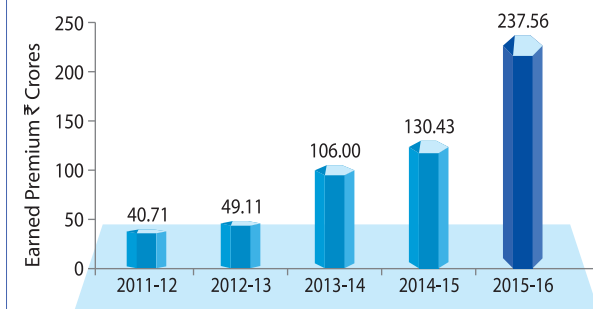
Gross Life Re Premium of the Corporation has increased to ₹ 230.65 crore from ₹ 157.32 crore in the previous year, a growth of 46.61%. Earned premium has increased this year to ₹ 237.56 crore from ₹ 130.43 crore in the last year. Operating profit has increased to ₹ 58.47 crore from ₹ 27.56 crore.

The Government of India has launched the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) in the current year. GIC Re has supported this initiative by extending its reinsurance support to various Life Insurance Companies. This scheme has generated reinsurance premium of ₹ 39.34 crore and claims of ₹ 36.83 crore for 2015-16.

TERRORISM INSURANCE POOL

The Indian Market Terrorism Risk Insurance Pool was formed as an initiative by all the non-life insurance

Earned Premium



companies in India in April 2002, after terrorism cover was withdrawn by international reinsurers post-9/11. The Pool has thus completed thirteen years of successful operations. All Indian non-life insurance companies (excluding monoline Insurers) and GIC Re are members of the Pool. The Pool is applicable to insurance of terrorism risk covered under property insurance policies. Capacity offered by the Pool is currently at ₹ 15,000 million per location for terrorism risk. Premium rates were revised downward under the Pool arrangement w.e.f. 01st April 2014.

In order to improve the market penetration for Terrorism Risk Insurance with better marketing by Brokers / Agents, the regulator has allowed a Brokerage of upto 5% w.e.f. 01.01.2014 for Terrorism Insurance business procured through Brokers.

GIC Re continues to successfully administer the Pool. Apart from its role as Pool Manager, GIC Re also contributes capacity to the Pool and participates as a reinsurer on the Pool's excess of loss reinsurance protection.

The Pool's premium income for 2015-16 was ₹ 475.93 crore and the claims paid during 2015-16 were ₹ 2.04 crore. No major losses were reported to the Pool during 2015-16.

SEGMENTWISE CLAIMS EXPERIENCE

(₹ in crore)

		INDIAN			FOREIGN		
		Earned Premium	Incurred Claims	Incurred Claims Ratio	Earned Premium	Incurred Claims	Incurred Claims Ratio
Fire	2015-16	1159.80	1650.33	142%	3344.15	1798.89	54%
Fire	2014-15	1041.93	758.15	73%	2926.78	1895.74	65%
Engineering	2015-16	362.18	-34.14	-9%	372.81	268.41	72%
Engineering	2014-15	380.72	282.67	74%	357.80	167.99	47%
Marine	2015-16	311.44	210.47	68%	632.09	422.34	67%
Marine	2014-15	252.03	331.51	132%	681.43	660.41	97%
Misc. Other	2015-16	3038.70	3006.91	99%	1096.67	1177.10	107%
Misc. Other	2014-15	2599.12	2447.51	94%	1066.72	958.29	90%
Life	2015-16	181.74	107.15	59%	55.82	62.84	113%
Life	2014-15	95.75	102.70	107%	34.68	-9.43	-27%
Aviation	2015-16	58.76	88.40	150%	411.80	242.00	59%
Aviation	2014-15	86.83	29.80	34%	385.39	378.98	98%
Motor	2015-16	3157.88	3017.36	96%	989.00	881.80	89%
Motor	2014-15	2783.97	2932.98	105%	865.10	954.46	110%
Total	2015-16	8270.50	8046.48	97%	6902.34	4853.38	70%
Total	2014-15	7240.35	6885.32	95%	6317.90	5006.44	79%

INVESTMENT

Global growth in 2015, was marginally lower than in previous year. There was a gradual pickup in advanced economies and a slowdown in emerging market and developing economies.

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to the Economic Survey 2015-16, the Indian economy will continue to grow more than 7 per cent in 2016-17. India's macro fundamentals have remained robust mainly due to drop in commodity prices and strong policy measures taken up by Union Government.

The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices. India was ranked the highest globally in terms of consumer confidence during October-December quarter of 2015, continuing its earlier trend of being ranked the highest during first three quarters of 2015, as per the global consumer confidence index created by Nielsen. The Union Budget for FY 2017 also added to path of fiscal consolidation. The fiscal deficit of Union Government has improved from 5.9 per cent GDP in FY 2012 down to 3.9 per cent in FY 2016 and is budgeted at 3.5 per cent in FY 2017.

Indian economy is expected to grow at 7-7.75 per cent during FY 2016-17, despite the uncertainties in the global market. The Economic Survey 2015-16 had forecasted that the Indian economy will be growing by more than seven per cent for the third successive year 2016-17 and can start growing at eight per cent or more in next two years.

Foreign direct investment (FDI) in India have increased post the launch of Make in India campaign. Digital India, a campaign launched by the Government of India in 2015 ensures that Government services are made available to citizens electronically by improving online infrastructure by making the country digitally empowered in the field of technology. Skill India

campaign was launched in July 2015 with an aim to train over 400 million people in India in different skills.

Private sector CAPEX (Capital Expenditure) has remained weak due to highly leveraged balance sheets coupled with poor sales growth of corporates. Governments' continued effort in reviving the CAPEX angle of the economy through enhanced public spending is expected to provide a relief to the sector. This will result in consistent IIP (Index of Industrial production) growth in future.

Although global macroeconomic conditions seem to be volatile, the Indian macroeconomic condition is relatively stable and signaling better prospects of growth from upward revision in the growth estimates. The dynamism in the Indian economy was largely driven by infrastructure sector (like roads, railways, power stations) and manufacturing, especially in defense sector, but revival in domestic demand and policy initiatives along with financial support are the underlying drivers of rise in economy activity. Lower commodity prices (of metals and crude oil) are also contributing positively due to the lower input costs.

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

The book value of investment of the Corporation stood at ₹ 34,050.25 crore as against ₹ 30,694.38 crore showing an increase of ₹ 3,355.87 crore representing a growth of 10.93 per cent over the previous year. Income from investments stood at ₹ 4,174.99 crore with a mean yield on funds at 12.91 per cent. The net non-performing assets percentage was at 1.08 per cent.

GIC Re's Reinsurance Program

The Corporation has arranged both Risk and Catastrophe Excess of Loss Reinsurance, in respect of various classes of Business, for protecting its net retained portfolios under domestic business. On large sized risks, wherever

necessary, the Corporation arranges for facultative retro. CAT protection has also been arranged for select business and territories in respect of Foreign Inward Business.

The Corporation has in place a Structured Solution Contract to which cessions under both domestic and foreign business are made across classes of business. Placements have been made with securities meeting the stipulations laid down by the Regulator.

FUTURE OUTLOOK

During 2016-17 the insurance sector in India expects to see substantial changes. With the increase in Foreign Direct Investment limit in the sector and opening up the reinsurance sector for foreign reinsurers, the sector is expected to see entry of major global reinsurance players.

The sector is also likely to undergo further consolidation through mergers and acquisitions. The global players, as they bring with them benchmark global practices, are expected to further improve and streamline our prevailing market practices.

The risk management framework is expected to be fine-tuned to match with global standards coupled with innovation in product designs and distribution networks.

The low-penetration in the Indian insurance market offers immense potential for growth. With growing financial awareness and inclusion, specific awareness about the insurance sector also would grow, which in combination with affirmative actions by the Government and the insurers will usher in a positive change.

Further, with resurgence in economic growth and improvement in general business climate aided by the reform measures undertaken the insurance industry hopes to ride the wave and scale newer heights.

The Indian insurance industry is geared up to meet the new and complex demands of public in respect of new innovative products in sync with the dynamically changing environment.

With the advent of new companies and international practices, the regulatory aspects are also expected to turn more proactive and would be aligned to consumer protection. The insurers would be required to follow a stricter regime in terms of due diligence, prudent risk management and investment practices, and fair marketing and service parameters.

In addition demographic factors such as growing middle class, young insurable population and growing awareness of the need for protection and retirement planning besides rising awareness of climate change and resultant natural catastrophes will support the growth of Indian insurance industry in the times ahead.

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

1. Confirms that the Registration No. 112 granted by the Authority continues to be valid.
2. Certifies that all the dues payable to the statutory authorities have been duly paid.
3. Confirms that the shareholding pattern as well as transfer of shares during the year is in accordance with the statutory or regulatory requirements.
4. Declares that the funds of the holders of policies in India are not directly or indirectly invested outside India.
5. Confirms that the required solvency margins have been maintained.
6. Certifies that the values of all the assets of the Corporation including that of Terrorism Insurance Pool business for which GIC Re is acting as Manager, have been reviewed on the date of the Balance Sheet and that in our belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings- "Loans", "Investments", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Cash" and the several items specified under "Other Accounts".
7. Confirms that the Corporation's risk exposure consists of a) Obligatory and Additional Quota Share Cessions; b) Facultative support given to Indian Insurance companies; c) The Corporation's share in Indian Insurance companies through First/Second Surplus Treaties and Excess of Loss programme; d) The Corporation's share in Market Surplus Treaties and e) Foreign Inward business accepted. The exposures are adequately protected by the Corporation's reinsurance programme for 2015-16.

8. The Corporation's overall top ten exposures in other countries are as follows:

United Arab Emirates, Saudi Arabia, Israel, Taiwan, Turkey, Oman, South Korea, Kuwait, U.S.A., Indonesia.

Exposures written for above countries have been covered for a limit of USD 10 Mln. xs USD 10 Mln. under the Risk-cum-Cat XL cover.

Catastrophic protection beyond the Corporation's authorized retentions have been purchased up to a limit of USD 150/200 Mln. as applicable.

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

9. Certifies that the Corporation does not operate directly in any other country. It has its representative office at Moscow and Branch Offices at Kuala Lumpur, Dubai and London.
10. The Corporation being a reinsurance company does not settle claims directly to the insured except in the case of run off liabilities in Aviation department. The portion of the claims recoverable under the reinsurance obligations of the Corporation are settled with the reinsured through periodical accounts statements. The position of outstanding claims under the categories of Indian, Foreign Inward and Aviation Business are as disclosed in Note No. 19 of the Disclosures forming part of Financial Statements.
11. This is to certify that the values as shown in the balance sheet, of the investments and stocks and shares have been arrived at as stated in Significant Accounting Policies No. 7.
12. Declares that the review of asset quality and performance is as mentioned below for Loans and Investments:

LOANS

Loan Assets (including loans to employees) as on 31.03.2016 stood at ₹ 365.78 crore compared to ₹ 393.84 crore in the previous year. Out of the total loan amount of ₹ 365.78 crore, ₹ 358.94 crore are either secured or

guaranteed by the Government bodies representing 98.13% and the balance ₹ 6.84 crore are unsecured. Interest income from loans amounted to ₹ 40.83 crore. Standard performing assets account for ₹ 295.56 crore and an amount ₹ 70.21 crore has been provided for the non-performing assets.

INVESTMENTS

The book value of the investment as on 31.03.2016 has increased to ₹ 34,050.25 crore from ₹ 30,694.37 crore. The realizable value of investments is at ₹ 57,500.98 crore as on 31.03.2016 showing an appreciation of 68.87% over book cost. Income from investment including Profit on Sale amounted to ₹ 4,174.99 crore as against ₹ 4,176.06 crore in the previous year. Of the total investment of ₹ 34,050.25 crore, ₹ 12,315.25 crore are invested in Government Securities and State guaranteed Bonds. Book Value of equity shares is at ₹ 7,824.66 crore and market value stood at ₹ 31,183.14 crore showing an appreciation of ₹ 23,358.48 crore (298.52%)

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

13. Confirms that :

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

- ii. The management has adopted accounting policies and applied them consistently (including those specifically required by various IRDA regulations) and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the operating profit and net profit of the company for the year.
- iii. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938/Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities have been taken.
- iv. The financial statements are prepared on a going concern basis.
- v. The management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

14. Certifies that no payment has been made to individuals, firms, companies and organisations in which the Directors of the Corporation are interested.

For and on behalf of the Board of Directors

Alice G Vaidyan

Chairman-cum-Managing Director

DATE: 29.6.2016

To
The Members of
GENERAL INSURANCE CORPORATION OF INDIA

1. Report on Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GENERAL INSURANCE CORPORATION OF INDIA ('the Corporation')**, which comprise the Balance sheet as at March 31, 2016, the Revenue Accounts of Fire, Miscellaneous, Marine and Life Insurance and the Profit and Loss Account and the Cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, in which are incorporated the returns of three Foreign Branches audited by branch auditors appointed by Comptroller and Auditor General of India, New Delhi and one Foreign Representative Office certified by the local Auditor appointed by the Corporation.

2. Management's Responsibility for the Financial Statements

The Corporation's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the Insurance Act, 1938, the accounting principles as prescribed in Insurance Regulatory and Development Authority of India (IRDAI) (Preparation of Financial Statements and Auditor's Report on Insurance Companies) Regulations, 2002 and orders or direction issued by the IRDAI including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Corporation's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Corporation's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the

financial statements are prepared in accordance with the requirements of the Insurance Act, 1938, IRDAI (Preparation of Financial Statements and Auditor's Report on Insurance Companies) Regulations, 2002 and the Act, 2013, to the extent applicable and in the manner so required and the financial statements read with significant accounting policies and notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies of state of affairs of the Corporation as at 31st March, 2016 and of surplus of revenue accounts of Fire, Miscellaneous, Marine and Life business and its profit and its cash flows for the year ended on that date.

5. Emphasis of matter

- a. We draw attention to Note no. 3 (c) to the financial statement in respect of applicability of prudential norms for provision on investment in State Government Securities for the reason stated in the said note. Our opinion is not qualified in respect of this matter.
- b. We draw attention to Note no. 48 to the financial statement in respect of fraud on the Dubai branch of the Corporation, on account of unauthorized bank transfer. Our opinion is not qualified in respect of this matter.

6. Other matter

We did not audit the financial statements/information of three foreign branches and one foreign representative office included in the standalone financial statements of the Corporation whose financial statements/financial information reflect total assets of ₹ 5,763.94 Crore as at March 31, 2016 and total revenues of ₹ 3,114.27 Crore for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these branches and representative office have been audited by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches and office, is based solely on the report of such other auditors.

Our opinion is not qualified in respect of this matter.

7. Reports on Other Legal & Regulatory Requirements

As required by section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Corporation so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches and representative office not visited by us.
- c. The reports of three foreign branches on the accounts of the branch offices of the Corporation audited by branch auditors and one representative office certified by other auditor under section 143 (8) of the Act have been sent to us and have been properly dealt with by us in preparing this report.
- d. The Balance Sheet, Revenue Accounts, Profit and Loss Account and Cash flow statement dealt with by this report are in agreement with the books of account and with the returns received from branches and representative office not visited by us.
- e. The Balance Sheet, The Revenue Accounts and the Profit and Loss Account have been drawn in accordance with the Insurance Act, 1938, the IRDAI Act, 1999 and the Act except for the Cash Flow Statement, **(Refer Note 44)** which is prepared under Indirect Method, whereas IRDAI regulations require Cash Flow Statement to be prepared under direct method.
- f. The actuarial valuation of liabilities is duly certified by the appointed actuary including to the effect that the assumptions for such valuation are in accordance with the guidelines issued by the Institute of Actuaries of India to its members and has been forwarded to IRDAI.
- g. On the basis of the written representations received from the directors as on March 31, 2016

taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- h. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and are also in conformity with the accounting principles as prescribed in the IRDAI Regulations.
- i. Investments have been valued in accordance with the provisions of the Insurance Act, 1938 (4 of 1938) and IRDAI (Auditor's report) Regulations, 2002.
- j. The accounting policies selected by the Corporation are appropriate and are in compliance with the applicable accounting standards and with the accounting principles, as prescribed in the IRDAI (Auditor's report) Regulations, 2002 or any order or direction issued by the IRDAI in this behalf.
- k. The Corporation being the Insurance Company, the Companies (Auditor's Report) Order, 2016 ("the order") as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is not applicable.
- l. With respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**.
- m. With respect to the directions issued by Comptroller and Auditor General of India as per Section 143 (5) of the Act, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Corporation has clear title/lease deeds for freehold and leasehold land.
 - ii. The Corporation has disclosed the impact of waiver/write off of debts/loans/interest and equity shares in its financial statements along

with the number of cases and reasons there fore [Refer note no. 5]. The total amount of interest waived off during the year is ₹ 242.55 thousand. The total amount of debts written off during the year for the 2 companies are ₹ 7,414 thousand.

- iii. The Corporation is involved in re-insurance business. Accordingly it does not hold inventories. Thus reporting under this direction is not applicable. The Corporation has not received gift from Government or any authorities.
- iv. The Corporation has disclosed the impact in its financial statement due to difference between title of ownership in respect of CGS/SGS/ bonds/Debentures/Shares available in physical/demat format vis a vis amount shown in the books. [Refer note no. 6]
- v. Provision in respect of employee liabilities for pension fund, leave encashment, gratuity, provident fund and settlement as well as provision for IBNR are made as per actuarial valuation. On verification of test check basis, data provided by the corporation is accurate and complete. The benchmark used by the actuary for assumptions seems to be appropriate. [Refer Note No. 30 (f) & 24].
- vi. The Corporation has given timely claim loss advices to the reinsurers in respect of reinsurance ceded business. In case of reinsurance inward business, the Corporation has ensured that all information/advices received have been considered for adequate provisions in the books of the Corporation.
- vii. On receipt of advice from cedents/brokers, the Corporation has accounted for profit commission payable in respect of inward insurance acceptances and receivables in respect of outward insurance acceptances in all eligible cases.
- n. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our

information and according to the explanations given to us:

- i. The Corporation has disclosed the impact of pending litigations on its financial position in its financial statements. [Refer Note 40 (g)];
- ii. The Corporation has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. [Refer Schedule 13 & 14];
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Corporation.
- j. We further certify that
 - i. We have reviewed the management report and there is no apparent mistake or material inconsistencies with the financial statements.
 - ii. The Corporation has complied with the terms and conditions of the registration stipulated by the Authority (IRDAI).

- iii. We have verified the cash balances, investments and securities relating to loans given by the Corporation on test check basis, by actual inspection or by production of certificates or other documentary evidence except to the extent of investments of the value aggregating to ₹ 1221 thousands as mentioned in Notes 1(a) to the accounts.
- iv. The Corporation has not undertaken any transaction relating to any trust as a trustee. However, the Corporation is acting as a Manager of Terrorism pool and the investments, assets and liabilities pertaining to it are disclosed separately in accounts.
- v. No part of the assets of the policyholders' funds have been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (4 of 1938) relating to the application and investments of the policyholders' funds.

For, GBCA & Associates
Chartered Accountants
ICAI Firm Regn. No.103142W

Yogesh Amal
Partner
Membership No. 111636

For, Samria & Co.
Chartered Accountants
ICAI Firm Regn. No. 109043W

Adhar Samria
Partner
Membership No.049174

Place : Mumbai
 Date : June 29, 2016

Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of General Insurance Corporation of India ("the Corporation") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Corporation for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Commensurate to the size and nature of the business, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Corporation's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, commensurate with the size & nature of business, the Corporation has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GBCA & Associates
Chartered Accountants
Firm Regn. No. 103142W

Yogesh Amal
Partner
Membership No. 111636

For Samria & Co.,
Chartered Accountants
Firm Regn. No. 109043W

Adhar Samria
Partner
Membership No. 049174

Place : Mumbai
Date : June 29, 2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GENERAL INSURANCE CORPORATION OF INDIA FOR THE YEAR ENDED 31 MARCH 2016

The preparation of financial statements of General Insurance Corporation of India for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Insurance Act, 1938 read with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 June 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of General Insurance Corporation of India for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(a) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Financial Position

Balance Sheet

Application of Funds

Current Assets

Advances and Other Assets

Schedule 12: ₹ 14996.75 crore

Current Liabilities

Schedule 13: ₹ 30017.59 crore

The above included ₹ 5547.53 crore representing 'Terrorism Pool (TP) Assets' and 'Terrorism Pool (TP) Liabilities' under Current Assets and Current Liabilities of the Company respectively. The Company is only a Manager to the Indian Market Terrorism Risk Insurance Pool and the TP Assets and the TP Liabilities do not belong to the Company, except to the extent of GIC's share which is separately reflected in the financial statements. The inclusion of entire TP Assets and TP Liabilities under the head Current Assets and Current Liabilities respectively has resulted in the overstatement of both Current Assets and Current Liabilities by ₹ 5547.53 crore.

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

(Roop Rashi)

Place : Mumbai

Dated : 16th September 2016

Principal Director of Commercial Audit and
Ex-officio Member, Audit Board-I, Mumbai

Reply to the Comments of the Comptroller & Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the Financial Statements of General Insurance Corporation of India for the year ended 31 March 2016:

After the WTC terrorist attack in September 2001, the availability of reinsurance protection for Terrorism risk had become very scarce. The Terrorism pool was therefore set up in India w.e.f. 01.04.2002 for writing Terrorism Business in India with GIC Re as the Pool Manager. Since then, GIC Re continues to successfully administer the Pool. Apart from its role as Pool Manager, GIC Re also contributes capacity to the Pool and participates as a reinsurer on the Pool's excess of loss reinsurance protection.

In the capacity of the Pool administrator, Corporation is having full control over entire assets and liabilities of the Terrorism Pool. As the Pool is only a market arrangement, the funds of the Pool are centrally managed and invested by GIC Re with the agreement of the Pool members, as decided by Underwriting/Investment Committee of the Pool, from time to time.

A statement indicating the member-wise share of the Terrorism Pool funds is sent to the individual Pool members on quarterly basis. At the end of every financial year, the Terrorism Pool Assets Account is prepared and placed before the Terrorism Risk Insurance Pool Members for their confirmation and approval.

The reasons for showing these funds in GIC Re books of accounts can be summarized as follows:

1. It is necessary that the liability of the Pool is protected by adequate reinsurance coverage, in view of the probability of a huge loss due to terrorist activities. Securing a reinsurance protection for Terrorism Pool on standalone basis may be very expensive and challenging for GIC Re as Pool Manager.
2. By showing the Terrorism Pool Assets and Liabilities in GIC Re books of accounts, the Corporation is able to buy reinsurance protection on behalf of the Pool at most competitive rates from the International Market. This is possible on account of GIC Re's standing in the international market compounded with the financial strength and managerial capacity of GIC Re which is recognized by the Reinsurers worldwide.
3. Further, during statutory and CAG audit of GIC Re Accounts, the matter had been discussed several times with the Auditors and with their cognizance, Corporation has consistently continued with the practice of showing the terrorism pool assets and liabilities in GIC Re books of accounts since the inception of the Pool w.e.f. 01.04.2002.
4. The effect of the Pool funds is nullified in GIC Re books of accounts as the amount of Assets and Liabilities of the Pool is always identical. Further, the assets and liabilities of the Terrorism Pool are not considered for calculation of Solvency Margin, Analytical Ratios etc.

Nevertheless, in view of the latest comments by CAG on this issue, Corporation will examine the matter and initiate consultation and due deliberations with Members of the Pool, Statutory Auditors and other appropriate Authorities etc. Thereafter, GIC Re will accordingly take necessary action in this regard, while finalizing the annual accounts of the Corporation for the year ended 31 March 2017.

Alice G. Vaidyan
Chairman-cum-Managing Director

Registration No. 112

Date of Registration with IRDAI : 2nd April 2001

**REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016
IN RESPECT OF FIRE INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	45039 525	39687 111
2. Profit on sale of Investments (Net)		3440 734	4635 672
3. Forex Gain/(Loss)		491 493	(206 797)
4. Interest, Dividend & Rent - Gross		5689 979	6214 343
Total (A)		54661 731	50330 329
1. Claims Incurred (Net)	2	34492 171	26538 919
2. Commission (Net)	3	12386 938	9658 600
3. Operating Expenses related to Insurance Business	4	681 359	544 148
4. Expenses relating to Investments		7 273	8 238
5. Premium Deficiency		0	0
Total (B)		47567 741	36749 905
Operating Profit/- Loss from Fire Business C = (A-B)		7093 990	13580 424
APPROPRIATIONS			
Transfer to Shareholders' Account		7093 990	13580 424
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		7093 990	13580 424

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Fire Insurance Business have been fully debited in the Fire Insurance Revenue Accounts as expenses.

The Schedules referred to above form integral part of the revenue account.

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
Membership No.: 111636
Mumbai
Dated: 29.06.2016

For SAMRIA & CO

Chartered Accountants
Firm Regn No. 109043W

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Usha Sangwan

Director

G C Gaylong

Director & GM

V C Jain

CFO

Dr A K Saxena

Director

D R Waghela

GM Finance

Suchita Gupta

Company Secretary

Registration No. 112

Date of Registration with IRDAI : 2nd April 2001
**REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016
 IN RESPECT OF MISCELLANEOUS INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	94878 040	85256 515
2. Profit on sale of Investments (Net)		6092 484	7203 607
3. Forex Gain/(Loss)		915 231	(317 788)
4. Interest, Dividend & Rent - Gross		10075 205	9656 784
Total (A)		111960 960	101799 118
1. Claims Incurred (Net)	2	86478 471	81526 948
2. Commission (Net)	3	20627 929	16123 033
3. Operating Expenses related to Insurance Business	4	1029 407	947 232
4. Expenses relating to Investments		12 879	12 802
5. Premium Deficiency		0	0
Total (B)		108148 686	98610 015
Operating Profit/-Loss from Miscellaneous Business C = (A-B)		3812 274	3189 103
APPROPRIATIONS			
Transfer to Shareholders' Account		3812 274	3189 103
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		3812 274	3189 103

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Miscellaneous Insurance Business have been fully debited in the Miscellaneous Insurance Revenue Accounts as expenses.

The Schedules referred to above form integral part of the revenue account.

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
Membership No.: 111636

Mumbai

Dated: 29.06.2016

For SAMRIA & CO

Chartered Accountants
Firm Regn No. 109043W

ADHAR SAMRIA

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Usha Sangwan

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Director & GM

V C Jain

CFO

Dr A K Saxena

Director

D R Waghela

GM Finance

Suchita Gupta

Company Secretary

Registration No. 112
Date of Registration with IRDAI : 2nd April 2001

**REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016
IN RESPECT OF MARINE INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	9435 249	9334 589
2. Profit on sale of Investments (Net)		989 018	1042 955
3. Forex Gain/(Loss)		151 896	(57 147)
4. Interest, Dividend & Rent - Gross		1635 550	1398 132
Total (A)		12211 713	11718 529
1. Claims Incurred (Net)	2	6327 997	9919 185
2. Commission (Net)	3	1812 301	1983 459
3. Operating Expenses related to Insurance Business	4	74 575	86 927
4. Expenses relating to Investments		2 091	1 853
5. Premium Deficiency		-584 596	584 596
Total (B)		7632 368	12576 020
Operating Profit/-Loss from Marine Business C = (A-B)		4579 345	-857 491
APPROPRIATIONS			
Transfer to Shareholders' Account		4579 345	-857 491
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		4579 345	-857 491

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Marine Insurance Business have been fully debited in the Marine Insurance Revenue Accounts as expenses.

The Schedules referred to above form integral part of the revenue account.

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
Membership No.: 111636

Mumbai

Dated: 29.06.2016

For SAMRIA & CO

Chartered Accountants
Firm Regn No. 109043W

ADHAR SAMRIA

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CFO

Dr A K Saxena

Director

D R Waghela

GM Finance

Suchita Gupta

Company Secretary

Registration No. 112
 Date of Registration with IRDAI : 2nd April 2001

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016
 IN RESPECT OF **LIFE** INSURANCE BUSINESS

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	2375 574	1304 308
2. Profit on sale of Investments (Net)		47 713	51 120
3. Forex Gain/(Loss)		7 082	(2 588)
4. Interest, Dividend & Rent - Gross		78 904	68 529
Total (A)		2509 273	1421 369
1. Claims Incurred (Net)	2	1699 960	932 666
2. Commission (Net)	3	76 403	77 432
3. Operating Expenses related to Insurance Business	4	21 633	16 049
4. Expenses relating to Investments		101	91
5. Premium Deficiency		0	0
Total (B)		1798 097	1026 238
Operating Profit/-Loss from Life Business C = (A-B)		711 176	395 131
APPROPRIATIONS			
Transfer to Shareholders' Account		711 176	395 131
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		711 176	395 131

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Life Insurance Business have been fully debited in the Life Insurance Revenue Accounts as expenses.

The Schedules referred to above form integral part of the revenue account.

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
 Firm Regn No. 103142W

YOGESH R. AMAL

Partner
 Membership No.: 111636
 Mumbai
 Dated: 29.06.2016

For SAMRIA & CO

Chartered Accountants
 Firm Regn No. 109043W

ADHAR SAMRIA

Partner
 Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Usha Sangwan

Director

G C Gaylong

Director & GM

V C Jain

CFO

Dr A K Saxena

Director

D R Waghela

GM Finance

Suchita Gupta

Company Secretary

Profit & Loss Account

Registration No. 112
Date of Registration with IRDAI : 2nd April, 2001

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Operating Profit/-Loss			
(a) Fire Insurance		7093 990	13580 424
(b) Marine Insurance		4579 345	(857 491)
(c) Miscellaneous Insurance		3812 274	3189 103
(d) Life Insurance		711 176	395 131
2. Income from Investments			
(a) Interest, Dividend & Rent - Gross		8411 453	7036 980
(b) Profit on sale of Investments		5086 412	5249 329
Less: Loss on sale of Investment		0	0
3. Other Income:			
Forex Gain/(Loss)		754 983	(275 131)
Interest on Income-tax Refund		0	2327 674
(Provision)/Doubtful Debts written back		1578 527	(1075 122)
Miscellaneous Receipts		11 949	9 208
Total (A)		32040 109	29580 105
4. Provision for Doubtful Loans & Investment		420 091	32 008
6 Amortisation of premium on Investments		185 605	181 025
7 Diminution in the value of investments written off		1359 916	588 077
8 Other Expenses :			
Expenses relating to Investments		10 752	9 329
(Profit)/Loss on sale of Assets (Net)		223	(167)
Sundry Balances Written off (Net)		0	0
Interest Motor Pool & Others		7 519	318 005
Corporate Social Responsibility Expenses		490 936	179 481
Total (B)		2475 042	1307 758
Profit Before Tax		29565 067	28272 347
Provision for Taxation :			
Current Tax		5122 682	5070 000
Wealth Tax		0	11 359
MAT Credit		-1884 959	-3653 300
Deferred Tax		150 425	-107 630
Provision for Tax in respect of earlier years		-101 341	14 713
MAT Credit of earlier year		-2205 632	0
Profit After Tax		28483 892	26937 205
Appropriations			
(a) Balance brought forward from last year		769	896
(b) Proposed Final dividend		8600 000	5400 000
(c) Dividend distribution tax		1750 788	1099 332
(d) Transfer to General Reserve		18133 000	20438 000
Balance carried forward to Balance Sheet		874	769
Basic and Diluted EPS (note no. 36)		6.62	6.26

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
Membership No.: 111636

Mumbai
Dated: 29.06.2016

For SAMRIA & CO

Chartered Accountants
Firm Regn No. 109043W

ADHAR SAMRIA

Partner
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Director

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Director & GM

V C Jain
CFO

Dr A K Saxena
Director

D R Waghela
GM Finance

Suchita Gupta
Company Secretary

Registration No. 112
Date of Registration with IRDAI : 2nd April, 2001
BALANCE SHEET AS AT 31st MARCH 2016

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
SOURCES OF FUNDS			
Share Capital	5	4300 000	4300 000
Reserves and Surplus	6	154018 207	133636 500
Borrowings	7	0	0
Deferred Tax Liability		0	0
Fair Value Change Account		234507 331	281468 452
Total		392825 538	419404 952
APPLICATION OF FUNDS			
Investments	8 & 8A	544359 624	557250 626
Loans	9	3657 759	3938 449
Fixed Assets	10	1702 666	1376 270
Deferred Tax Asset		24 268	174 705
Current Assets:			
Cash and Bank Balances	11	97614 005	77280 874
Advances and Other Assets	12	149967 476	141951 874
Sub-Total (A)		247581 481	219232 748
Current Liabilities	13	300175 919	273015 607
Provisions	14	104324 341	89552 239
Sub-Total (B)		404500 260	362567 846
Net Current Assets (C)=(A-B)		-156918 779	-143335 098
Miscellaneous Expenditure	15	0	0
Total		392825 538	419404 952
CONTINGENT LIABILITIES		27645 157	30860 684

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

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
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Mumbai

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Dr A K Saxena

Director

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GM Finance

Suchita Gupta

Company Secretary

SCHEDULE 1 PREMIUM EARNED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
A FIRE INSURANCE		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	64761 247	47016 449
Less: Premium on Reinsurance ceded	13454 793	7616 664
Net Premium	51306 454	39399 785
Adjustment for change in reserve for unexpired risks	-6266 929	287 326
Total Premium Earned (Net)	45039 525	39687 111
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	44882 912	38522 946
Less: Premium on Reinsurance ceded	0	0
Net Premium	44882 912	38522 946
Adjustment for change in reserve for unexpired risks	-3414 131	-2032 288
Total Premium Earned (Net)	41468 781	36490 658
(2) AVIATION		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	4531 748	6863 948
Less: Premium on Reinsurance ceded	974 129	961 890
Net Premium	3557 619	5902 058
Adjustment for change in reserve for unexpired risks	1148 004	-1179 865
Total Premium Earned (Net)	4705 623	4722 193
(3) ENGINEERING		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	8906 026	7958 220
Less: Premium on Reinsurance ceded	1245 459	854 396
Net Premium	7660 567	7103 824
Adjustment for change in reserve for unexpired risks	-310 661	281 556
Total Premium Earned (Net)	7349 906	7385 380

SCHEDULE 1
PREMIUM EARNED (NET)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(4) WORKMENS' COMPENSATION		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	253 526	182 702
Less: Premium on Reinsurance ceded	0	0
Net Premium	253 526	182 702
Adjustment for change in reserve for unexpired risks	-35 433	30 085
Total Premium Earned (Net)	218 093	212 787
(5) LIABILITY		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	1505 296	1153 477
Less: Premium on Reinsurance ceded	89 047	116 619
Net Premium	1416 249	1036 858
Adjustment for change in reserve for unexpired risks	-190 201	-80 778
Total Premium Earned (Net)	1226 048	956 080
(6) PERSONAL ACCIDENT		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	3805 190	2691 267
Less: Premium on Reinsurance ceded	5 142	11 685
Net Premium	3800 048	2679 582
Adjustment for change in reserve for unexpired risks	-575 996	559 125
Total Premium Earned (Net)	3224 052	3238 707
(7) HEALTH		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	25041 895	21049 810
Less: Premium on Reinsurance ceded	0	0
Net Premium	25041 895	21049 810
Adjustment for change in reserve for unexpired risks	-1990 028	-2383 824
Total Premium Earned (Net)	23051 867	18665 986

SCHEDULE 1 PREMIUM EARNED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(8) OTHER MISCELLANEOUS		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	16463 329	12349 017
Less: Premium on Reinsurance ceded	2381 912	1772 572
Net Premium	14081 417	10576 445
Adjustment for change in reserve for unexpired risks	-1833 002	1007 847
Total Premium Earned (Net)	12248 415	11584 292
(9) FINANCIAL LIABILITY/CREDIT		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	1766 695	1455 353
Less: Premium on Reinsurance ceded	450 000	0
Net Premium	1316 695	1455 353
Adjustment for change in reserve for unexpired risks	68 560	545 079
Total Premium Earned (Net)	1385 255	2000 432
TOTAL MISCELLANEOUS		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	107156 617	92226 740
Less: Premium on Reinsurance ceded	5145 689	3717 162
Net Premium	102010 928	88509 578
Adjustment for change in reserve for unexpired risks	-7132 888	-3253 063
Total Premium Earned (Net)	94878 040	85256 515
C MARINE INSURANCE		
(1) MARINE CARGO		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	3377 551	3806 211
Less: Premium on Reinsurance ceded	380 402	277 104
Net Premium	2997 149	3529 107
Adjustment for change in reserve for unexpired risks	520 118	228 826
Total Premium Earned (Net)	3517 267	3757 933

SCHEDULE 1
PREMIUM EARNED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(2) MARINE HULL		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	6756 228	7217 036
Less: Premium on Reinsurance ceded	1225 493	1282 284
Net Premium	5530 735	5934 752
Adjustment for change in reserve for unexpired risks	387 247	-358 096
Total Premium Earned (Net)	5917 982	5576 656
TOTAL MARINE		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	10133 779	11023 247
Less: Premium on Reinsurance ceded	1605 895	1559 388
Net Premium	8527 884	9463 859
Adjustment for change in reserve for unexpired risks	907 365	-129 270
Total Premium Earned (Net)	9435 249	9334 589
D LIFE INSURANCE		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	2306 478	1573 224
Less: Premium on Reinsurance ceded	403 897	376 312
Net Premium	1902 581	1196 912
Adjustment for change in reserve for unexpired risks	472 993	107 396
Total Premium Earned (Net)	2375 574	1304 308
E TOTAL ALL CLASSES		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	184358 121	151839 660
Less: Premium on Reinsurance ceded	20610 274	13269 526
Net Premium	163747 847	138570 134
Adjustment for change in reserve for unexpired risks	-12019 459	-2987 611
Total Premium Earned (Net)	151728 388	135582 523

SCHEDULE 2 CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
A FIRE INSURANCE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	38282 764	36728 178
Less: Reinsurance ceded	9209 430	1563 411
Net Claims Paid	29073 334	35164 767
Add: Claims Outstanding at the end of the year	73001 061	67582 224
Less: Claims Outstanding at the beginning of the year	67582 224	76208 072
Total Claims Incurred	34492 171	26538 919
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	29418 461	41344 945
Less: Reinsurance ceded	0	0
Net Claims Paid	29418 461	41344 945
Add: Claims Outstanding at the end of the year	61161 102	51587 884
Less: Claims Outstanding at the beginning of the year	51587 884	54058 415
Total Claims Incurred	38991 679	38874 414
(2) AVIATION		
Claims Paid		
Direct	-11 700	4 057
Add: Reinsurance accepted	3901 682	3324 259
Less: Reinsurance ceded	332 185	143 556
Net Claims Paid	3557 797	3184 760
Add: Claims Outstanding at the end of the year	8550 135	8803 936
Less: Claims Outstanding at the beginning of the year	8803 936	7900 822
Total Claims Incurred	3303 996	4087 874

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(3) ENGINEERING		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	4392 151	3889 855
Less: Reinsurance ceded	164 800	17 234
Net Claims Paid	4227 351	3872 621
Add: Claims Outstanding at the end of the year	16497 841	18382 485
Less: Claims Outstanding at the beginning of the year	18382 485	17748 578
Total Claims Incurred	2342 707	4506 528
(4) WORKMENS' COMPENSATION		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	89 996	79 206
Less: Reinsurance ceded	0	0
Net Claims Paid	89 996	79 206
Add: Claims Outstanding at the end of the year	210 187	161 463
Less: Claims Outstanding at the beginning of the year	161 463	163 235
Total Claims Incurred	138 720	77 434
(5) LIABILITY		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	436 967	243 887
Less: Reinsurance ceded	0	38 252
Net Claims Paid	436 967	205 635
Add: Claims Outstanding at the end of the year	1726 140	1579 545
Less: Claims Outstanding at the beginning of the year	1579 545	1842 666
Total Claims Incurred	583 562	-57 486

SCHEDULE 2 CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(6) PERSONAL ACCIDENT		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	1443 703	2586 724
Less: Reinsurance ceded	0	0
Net Claims Paid	1443 703	2586 724
Add: Claims Outstanding at the end of the year	2015 981	1888 768
Less: Claims Outstanding at the beginning of the year	1888 768	2406 549
Total Claims Incurred	1570 916	2068 943
(7) HEALTH		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	21544 530	17748 458
Less: Reinsurance ceded	0	0
Net Claims Paid	21544 530	17748 458
Add: Claims Outstanding at the end of the year	12428 273	12700 829
Less: Claims Outstanding at the beginning of the year	12700 829	9158 105
Total Claims Incurred	21271 974	21291 182
(8) OTHER MISCELLANEOUS		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	16887 122	9320 071
Less: Reinsurance ceded	1049 991	0
Net Claims Paid	15837 131	9320 071
Add: Claims Outstanding at the end of the year	9924 875	9707 154
Less: Claims Outstanding at the beginning of the year	9707 154	10337 916
Total Claims Incurred	16054 852	8689 309

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(9) FINANCIAL LIABILITY/CREDIT		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	1995 532	1225 730
Less: Reinsurance ceded	0	0
Net Claims Paid	1995 532	1225 730
Add: Claims Outstanding at the end of the year	6872 775	6648 242
Less: Claims Outstanding at the beginning of the year	6648 242	5885 222
Total Claims Incurred	2220 065	1988 750
TOTAL MISCELLANEOUS		
Claims Paid		
Direct	-11 700	4 057
Add: Reinsurance accepted	80110 144	79763 135
Less: Reinsurance ceded	1546 976	199 042
Net Claims Paid	78551 468	79568 150
Add: Claims Outstanding at the end of the year	119387 309	111460 306
Less: Claims Outstanding at the beginning of the year	111460 306	109501 508
Total Claims Incurred	86478 471	81526 948
C MARINE INSURANCE		
(1) MARINE CARGO		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	1863 470	3274 157
Less: Reinsurance ceded	51 005	62 823
Net Claims Paid	1812 465	3211 334
Add: Claims Outstanding at the end of the year	5899 043	5556 870
Less: Claims Outstanding at the beginning of the year	5556 870	5225 659
Total Claims Incurred	2154 638	3542 545

SCHEDULE 2 CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(2) MARINE HULL		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	4630 060	4242 795
Less: Reinsurance ceded	516 246	309 043
Net Claims Paid	4113 814	3933 752
Add: Claims Outstanding at the end of the year	9740 973	9681 428
Less: Claims Outstanding at the beginning of the year	9681 428	7238 540
Total Claims Incurred	4173 359	6376 640
TOTAL MARINE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	6493 530	7516 952
Less: Reinsurance ceded	567 251	371 866
Net Claims Paid	5926 279	7145 086
Add: Claims Outstanding at the end of the year	15640 016	15238 298
Less: Claims Outstanding at the beginning of the year	15238 298	12464 199
Total Claims Incurred	6327 997	9919 185
D LIFE INSURANCE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	1802 156	995 129
Less: Reinsurance ceded	295 481	321 318
Net Claims Paid	1506 675	673 811
Add: Claims Outstanding at the end of the year	1047 227	853 942
Less: Claims Outstanding at the beginning of the year	853 942	595 087
Total Claims Incurred	1699 960	932 666
E TOTAL ALL CLASSES		
Claims Paid		
Direct	-11 700	4 057
Add: Reinsurance accepted	126688 594	125003 394
Less: Reinsurance ceded	11619 138	2455 637
Net Claims Paid	115057 756	122551 814
Add: Claims Outstanding at the end of the year	209075 613	195134 770
Less: Claims Outstanding at the beginning of the year	195134 770	198768 866
Total Claims Incurred	128998 599	118917 718

SCHEDULE 3
COMMISSION

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
A FIRE INSURANCE		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	12683 791	9831 772
Less: Commission on Reinsurance Ceded	296 853	173 172
Net Commission	12386 938	9658 600
Break-up of Commission		
Brokerage	2406 921	1359 923
Commission Paid	9980 016	8298 677
Total Commission	12386 937	9658 600
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	8218 799	6499 826
Less: Commission on Reinsurance Ceded	0	0
Net Commission	8218 799	6499 826
Break-up of Commission		
Brokerage	341 300	252 380
Commission Paid	7877 499	6247 446
Total Commission	8218 799	6499 826
(2) AVIATION		
Commission Paid		
Direct	0	-78 261
Add: Reinsurance Accepted	731 955	955 853
Less: Commission on Reinsurance Ceded	24 799	583
Net Commission	707 156	877 009
Break-up of Commission		
Brokerage	343 032	373 701
Commission Paid	364 124	503 308
Total Commission	707 156	877 009

SCHEDULE 3 COMMISSION

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(3) ENGINEERING		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	2044 958	1971 232
Less: Commission on Reinsurance Ceded	15 676	3 506
Net Commission	2029 282	1967 726
Break-up of Commission		
Brokerage	129 162	92 753
Commission Paid	1900 120	1874 973
Total Commission	2029 282	1967 726
(4) WORKMENS' COMPENSATION		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	37 785	27 023
Less: Commission on Reinsurance Ceded	0	0
Net Commission	37 785	27 023
Break-up of Commission		
Brokerage	1 642	1 619
Commission Paid	36 143	25 404
Total Commission	37 785	27 023
(5) LIABILITY		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	206 293	190 262
Less: Commission on Reinsurance Ceded	0	2 094
Net Commission	206 293	188 168
Break-up of Commission		
Brokerage	22 141	15 511
Commission Paid	184 152	172 657
Total Commission	206 293	188 168

SCHEDULE 3
COMMISSION

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(6) PERSONAL ACCIDENT		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	1350 952	561 284
Less: Commission on Reinsurance Ceded	26	1 580
Net Commission	1350 926	559 704
Break-up of Commission		
Brokerage	47 068	44 091
Commission Paid	1303 858	515 613
Total Commission	1350 926	559 704
(7) HEALTH		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	5150 064	3699 443
Less: Commission on Reinsurance Ceded	0	0
Net Commission	5150 064	3699 443
Break-up of Commission		
Brokerage	162 692	264 056
Commission Paid	4987 372	3435 387
Total Commission	5150 064	3699 443
(8) OTHER MISCELLANEOUS		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	2623 949	2050 405
Less: Commission on Reinsurance Ceded	1 065	1 478
Net Commission	2622 884	2048 927
Break-up of Commission		
Brokerage	121 131	94 832
Commission Paid	2501 753	1954 095
Total Commission	2622 884	2048 927

SCHEDULE 3 COMMISSION

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(9) FINANCIAL LIABILITY/CREDIT		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	304 740	255 207
Less: Commission on Reinsurance Ceded	0	0
Net Commission	304 740	255 207
Break-up of Commission		
Brokerage	4 813	2 267
Commission Paid	299 927	252 940
Total Commission	304 740	255 207
TOTAL MISCELLANEOUS		
Commission Paid		
Direct	0	-78 261
Add: Reinsurance Accepted	20669 495	16210 535
Less: Commission on Reinsurance Ceded	41 566	9 241
Net Commission	20627 929	16123 033
Break-up of Commission		
Brokerage	1172 981	1141 210
Commission Paid	19454 948	14981 823
Total Commission	20627 929	16123 033
C MARINE INSURANCE		
(1) MARINE CARGO		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	707 360	895 008
Less: Commission on Reinsurance Ceded	0	34
Net Commission	707 360	894 974
Break-up of Commission		
Brokerage	87 698	74 699
Commission Paid	619 662	820 275
Total Commission	707 360	894 974

SCHEDULE 3
COMMISSION

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(2) MARINE HULL		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	1222 828	1166 143
Less: Commission on Reinsurance Ceded	117 886	77 658
Net Commission	1104 942	1088 485
Break-up of Commission		
Brokerage	363 841	257 020
Commission Paid	741 101	831 465
Total Commission	1104 942	1088 485
TOTAL MARINE		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	1930 188	2061 151
Less: Commission on Reinsurance Ceded	117 886	77 692
Net Commission	1812 302	1983 459
Break-up of Commission		
Brokerage	451 539	331 719
Commission Paid	1360 763	1651 740
Total Commission	1812 302	1983 459
D LIFE INSURANCE		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	76 403	77 432
Less: Commission on Reinsurance Ceded	0	0
Net Commission	76 403	77 432
Break-up of Commission		
Brokerage	17 850	10 531
Commission Paid	58 553	66 901
Total Commission	76 403	77 432
E TOTAL ALL CLASSES		
Commission Paid		
Direct	0	-78 261
Add: Reinsurance Accepted	35359 877	28180 890
Less: Commission on Reinsurance Ceded	456 305	260 105
Net Commission	34903 572	27842 524
Break-up of Commission		
Brokerage	4049 291	2843 383
Commission Paid	30854 280	24999 141
Total Commission	34903 571	27842 524

SCHEDULE 4 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 Employees' remuneration & welfare benefits	859 963	686 241
2 Travel, conveyance and vehicle running expenses	89 762	69 198
3 Training expenses	23 425	9 879
4 Rents, rates and taxes	60 272	39 683
5 Repairs	212 637	211 324
6 Printing & stationery	2 735	2 643
7 Communication	12 338	11 660
8 Legal & professional charges	50 940	134 334
9 Auditors' fees, expenses etc.		
(a) as auditor	8 239	7 081
(b) as advisor or in any other capacity, in respect of		
(i) Taxation matters	300	300
(ii) Others	2	5
10 Advertisement and publicity	54 412	48 847
11 Interest & Bank Charges	11 734	7 890
12 Others	198 600	172 472
13 Depreciation	95 789	92 463
14 Service Tax A/c	4 557	5 131
15 IT Expenses	121 269	95 205
Total	1806 974	1594 356

**SCHEDULE 5
SHARE CAPITAL**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Authorised Capital 10,00,00,00,000 Equity Shares of ₹ 1/- Each	10000 000	10000 000
2 Issued & Subscribed Capital 4,30,00,00,000 Equity Shares of ₹ 1/- Each	4300 000	4300 000
3 Called-up Capital 4,30,00,00,000 Equity Shares of ₹ 1/- Each (Includes 4,06,00,00,000 shares of ₹ 1/- issued by capitalisation of Capital Redemption Reserve and General Reserve and 5,00,00,000 partly paid shares (₹ 0.50 per share paid) made fully paid-up shares by capitalisation of General Reserve)	4300 000	4300 000
Total	4300 000	4300 000

**SCHEDULE 5A
SHARE CAPITAL PATTERN OF SHAREHOLDING
[As certified by the Management]**

Shareholders	Current Year		Previous Year	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters Indian	4,30,00,00,000	100%	4,30,00,00,000	100%

The Shareholders of the corporation have approved the sub-division of each equity share having face value of ₹100/- into 100 equity shares having face value of ₹ 1 each. All shares and per share information in the financial results reflect the effect of sub-division for each of the period presented.

**SCHEDULE 6
RESERVES AND SURPLUS**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 General Reserve		
Opening Balance	125890 000	105452 000
Add: Transfer from Profit & Loss A/c	18133 000	20438 000
	144023 000	125890 000
2 Catastrophe Reserve	0	0
3 Foreign Currency Translation Reserve	9994 333	7745 731
4 Balance of Profit in Profit & Loss Account	874	769
Total	154018 207	133636 500

**SCHEDULE 7
BORROWINGS**

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SCHEDULE 8 INVESTMENTS - SHAREHOLDERS' FUND

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Long Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	37039 988	29879 607
2 Other Approved Securities	1088 215	1160 091
3 Other Investments		
(a) Shares		
(aa) Equity - Indian	94491 125	95915 057
Equity - Foreign	569 499	569 499
(bb) Preference	12 897	11 523
(b) Mutual Funds	0	0
(c) Derivative Instruments	0	0
(d) Debentures/Bonds Indian	8021 383	6019 815
Debentures/Bonds Foreign	0	0
(e) Other Securities		
Guaranteed Equity	162	144
(f) Subsidiaries	734 593	734 591
(e) Associates - Indian	0	0
Associates - Foreign	159 479	159 479
4 Investments in Infrastructure and Social Sector		
(a) Equity	4510 029	4586 044
(b) Debentures/Bonds	17827 480	10679 309
5 Other than Approved Investments		
(a) Equity/Preference/Debentures/Venture Funds	1609 749	1176 154
(b) Preference	9 540	8 508
(c) Debentures/Bond	2871 379	5886 076
(d) Venture Funds	602 726	512 372
(e) Associate Indian	700 000	700 000
Short Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	2972 264	814 669
2 Other Approved Securities	203 949	111 719
3 Other Investments		
(a) Shares		
(aa) Equity	0	0
(bb) Preference	0	0
(b) Mutual Funds	929 728	528 523
(c) Derivative Instruments	0	0
(d) Debentures/Bond Indian	1133 904	764 367
Debentures/Bond Foreign	0	0
(e) Other Securities	0	0
Commercial Paper	0	0
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Debentures/Bond	2094 775	1617 867
5 Other than Approved Investments		
(a) Preference Shares	0	0
(b) Debentures/Bond	740 204	581 788
(c) Mutual Funds	0	0
Total	178323 068	162417 202

SCHEDULE 8 A
INVESTMENTS - POLICYHOLDERS' FUND

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Long Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	76964 284	73617 473
2 Other Approved Securities	2261 170	2838 297
3 Other Investments		
(a) Shares		
(aa) Equity - Indian	196340 285	236315 830
Equity - Foreign	0	0
(bb) Preference	26 799	28 390
(b) Mutual Funds	0	0
(c) Derivative Instruments	0	0
(d) Debentures/Bonds Indian	16667 392	14831 640
Debentures/Bonds Foreign	0	0
(e) Other Securities		
Guaranteed Equity	338	356
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Equity	9371 255	11299 110
(b) Debentures/Bonds	37043 188	26311 716
5 Other than Approved Investments		
(a) Equity/Preference/Debentures/Venture Funds	3344 850	2897 813
(b) Preference	19 822	20 961
(c) Debentures/Bond	5966 353	14502 134
(d) Venture Funds	1252 386	1262 383
(e) Associate Indian	0	0
Short Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	6175 978	2007 185
2 Other Approved Securities	423 779	295 192
3 Other Investments		
(a) Shares		
(aa) Equity	0	0
(bb) Preference	0	0
(b) Mutual Funds	1931 854	1302 178
(c) Derivative Instruments	0	0
(d) Debentures/Bond Indian	2356 106	1883 249
Debentures/Bond Foreign	0	0
(e) Other Securities	0	0
Commercial Paper	0	0
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Debentures/Bond	4352 670	3986 106
5 Other Investments		
(a) Preference Shares	0	0
(b) Debentures/Bond	1538 047	1433 411
(c) Mutual Funds	0	0
Total	366036 556	394833 424

SCHEDULE 9 LOANS

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 Security-wise Classification		
Secured		
(a) On mortgage of property		
(aa) In India *	735 423	757 974
(bb) Outside India	0	0
(b) On Shares, Bonds, Government Securities	0	0
(c) Investments In State Govt. Loans for Housing and Fire fighting	2853 949	3112 087
Unsecured	68 387	68 388
Total	3657 759	3938 449
2 Borrower-Wise Classification		
(a) Central and State Governments	2853 949	3112 087
(b) Banks and Financial Institutions	0	0
(c) Subsidiaries	0	0
(d) Industrial Undertakings	782 984	816 556
(e) Others	20 826	9 806
Total	3657 759	3938 449
3 Performance-Wise Classification		
(a) Loans classified as standard		
(aa) In India	2955 623	3075 668
(bb) Outside India	0	0
(b) Non-performing loans less provisions		
(aa) In India	0	191 648
(bb) Outside India	0	0
Provisions **	702 136	671 133
Total	3657 759	3938 449
4 Maturity-Wise Classification		
(a) Short - Term	296 986	331 193
(b) Long - Term	3360 773	3607 256
Total	3657 759	3938 449

** Includes Provision for Bad and Doubtful Loans

SCHEDULE 10
FIXED ASSETS

(₹ '000)

Particulars	Cost/Gross Block			Depreciation					Net Block	
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	Upto 31.03.2015	Twelve months ended 31.03.2016	On Sales/ Adjust ment	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Leasehold Land	247 253	-	-	247 253	85 851	3 434	-	89 285	157 968	161 402
Freehold Land	560 132	-	-	560 132	-	-	-	-	560 132	560 132
Buildings	611 494	393 222	-	1004 716	238 217	11 441	-	249 658	755 058	373 277
Furniture & Fittings	21 225	58	149	21 134	18 610	391	104	18 897	2 237	2 615
I.T. Equipments	121 459	5 678	578	126 559	105 102	7 701	530	112 273	14 286	16 357
I.T. Software	343 164	12 533	-	355 697	112 942	65 260	-	178 202	177 495	230 222
Vehicles	44 130	11 599	3 627	52 102	19 520	5 001	1 950	22 571	29 531	24 610
Office Equipments	17 279	724	32	17 971	10 761	2 383	43	13 101	4 870	6 518
AC & Water Coolers	12 523	185	22	12 686	11 694	110	7	11 797	889	829
Elevators	2 073	-	-	2 073	2 073	-	-	2 073	-	-
Canteen Appliances	474	-	-	474	363	31	-	394	80	111
Electrical Installation	11 769	25	1,796.00	9 998	11 572	37	1,731.00	9 878	120	197
Fire Alarm Systems	3 408	-	-	3 408	3 408	-	-	3 408	-	-
Total	1996 383	424 024	6 204	2414 203	620 113	95 789	4 365	711 537	1702 666	1376 270
Previous years	1674 419	327 081	5 117	1996 383	531 316	92 463	3 666	620 113		

The figures are inclusive of Appreciation/Depreciation due to foreign currency fluctuation

SCHEDULE 11
CASH AND BANK BALANCES

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Cash & stamps	79	164
2 Bank Balances		
(a) Deposit Accounts - Short term (due within 12 months)	85294 228	66651 121
(b) Current Accounts	4605 297	2397 761
3 Money at Call and Short Notice		
(a) With Bank	298 940	263 042
(b) With other Institutions	7415 461	7968 786
Total	97614 005	77280 874
Balances with non-scheduled banks	Nil	Nil

SCHEDULE 12 ADVANCES AND OTHER ASSETS

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Advances		
1 Reserve Deposits with Ceding Companies	29847 168	25570 338
2 Application Money for Investments	0	0
3 Prepayments	80 298	78 348
4 Advances to Directors/Officers	5 164	5 258
5 Advance Tax Paid and TDS	11864 950	12592 152
Less: Provision for Taxation	10264 986	6768 350
	1599 964	5823 802
6 Service Tax & Others	2902 834	2392 388
7 Deferred Commission	554 705	473 178
Total (A)	34990 133	34343 312
Other Assets		
1 Income accrued on investments	8267 277	7550 171
2 Due from other entities carrying on insurance business (including reinsurers) *	35225 913	36952 020
3 Deposit U/S-7 of Insurance Act	0	295 314
4 Sundry Debtors	174 340	3394 901
5 Sundry Deposits	360 558	289 644
6 MAT Credit Entitlement	15045 407	10954 816
7 Service Tax Unutilised Credit	428 530	343 260
8 Terrorism Pool Assets	55475 318	47828 436
Total (B)	114977 343	107608 562
Total (A+B)	149967 476	141951 874

* Net of ₹ 23,56,666 thousand (PY ₹ 3,935,192 thousand) for provision for bad and doubtful debts

SCHEDULE 13 CURRENT LIABILITIES

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Balances Due to other insurance companies	16595 935	14850 027
2 Deposits held on re-insurance ceded	18336 851	14538 197
3 Sundry Creditors	692 202	664 177
4 Claims Outstanding	209075 613	195134 770
5 Terrorism Pool Liabilities	55475 318	47828 436
Total	300175 919	273015 607

SCHEDULE 14
PROVISIONS

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 Reserve for Unexpired Risk	86483 331	74463 872
2 Reserve for Premium Deficiency	0	584 595
3 For proposed dividends	8600 000	5400 000
4 For dividend distribution tax	1750 788	1099 332
5 For Doubtful Loans, Investment and Debts	5313 238	6471 674
6 For Leave Encashment	245 182	227 340
7 Provision for Pension	93 972	31 109
8 Provision for Gratuity	33 473	75 675
9 Provision for Settlement	14 024	12 195
10 For Salary Arrears	0	130 000
11 For PLLI Arrears	0	16 800
12 Provision for Taxation	12355 436	14577 848
Less: Advance Tax Paid and TDS	10565 103	13538 201
	1790 333	1039 647
Total	104324 341	89552 239

SCHEDULE 15
MISCELLANEOUS EXPENDITURE

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SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES:

1. ACCOUNTING CONVENTION

The Balance Sheet, the Profit and Loss Account and the Revenue Accounts are drawn up in accordance with the provisions of Section 11(1) of the Insurance Act, 1938 and to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements also conform to the stipulation specified under the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002. The said statements are prepared on historical cost convention and on accrual basis except as otherwise stated and conform to the statutory provisions and practices prevailing in the General Insurance Industry in India.

2. REINSURANCE BUSINESS

2.1 Reinsurance Revenues

Premium is accounted based on accounts rendered by ceding companies upon receipt of accounts. At the year end, estimates are made for accounts not yet received, based on available information and current trends.

In respect of Indian Market Terrorism Risk Insurance pool and Indian Motor Declined Pool, only the Corporation's share of revenues is recorded as premium.

2.2 Outstanding claims

2.2.1 Estimated liability for outstanding claims in respect of Reinsurance business carried out in India is based on advices received as of different dates up to the date of finalization of accounts and wherever such advices are not received, on estimates based on available information, current trends, past underwriting experience of the management and actuarial estimation bases.

2.2.2 Provision for claims incurred but not reported (IBNR) is made as certified by the appointed actuary.

2.3 Receivables

Provisions for doubtful debts for receivables are provided as under:-

- (i) Companies in liquidation.
- (ii) Foreign Companies having non-moving balances over a period of three years.
- (iii) Non realizable balances of foreign companies having moving balances.

3. FOREIGN CURRENCY TRANSACTIONS:

Revenue transactions in foreign currencies are converted at the daily rate of exchange on the day accounts are received and transactions are booked. The rates have been taken from Thomson Reuters India Pvt. Ltd.

- 3.1 Non-Monetary items including fixed assets and investments abroad are reported using the exchange rate applicable on the date of acquisition.
- 3.2 Monetary items such as receivables, payables and balances in bank accounts held in foreign currencies are converted using the closing rates of exchange at the balance sheet date.
- 3.3 The exchange gain/loss relating to revenue transaction, due to conversion of foreign currencies, is accounted for as revenue in respective revenue accounts. The common exchange gain/loss due to conversion are apportioned between Revenue Account and Profit and Loss Account in same proportion as stated in Significant Accounting Policy No. 6.
- 3.4 Foreign branch operations are considered as "non-integral business" as prescribed in AS11 "The effects of changes in foreign exchange rates" (revised 2003) and translated accordingly.

4. RESERVE FOR UNEXPIRED RISK

The URR provisions are made as under:

4.1 Non-Life Business:

- (i) For HO, Dubai and Malaysia Branch:

Reserve for Unexpired Risk in respect of Marine Insurance and Terrorism Risk Business (included in Fire and Engineering) is made at 100% of Net Premium, while for all other classes of insurance

is made at 50% of Net Premium of the period for which accounts are prepared.

(ii) For London Branch:

Reserve for Unexpired Risk is provided as per local practice. Further, any additional provision as required by IRDAI is provided at HO.

4.2 Life Business:

Reserve for Unexpired Risk is provided as determined by Actuary.

5. OPERATING EXPENSES RELATING TO INSURANCE BUSINESS (EXPENSES OF MANAGEMENT)

5.1 Depreciation

Depreciation is provided on straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 and residual value of the assets shall be ₹ 1/-.

Depreciation is provided on pro-rata basis on additions to fixed assets and on assets sold/ discarded/demolished/destroyed during the year.

5.2 Retirement Benefits to Employees

Liabilities on account of retirement benefits to the employees such as pension, gratuity and leave encashment are provided for on accrual basis, based on actuarial valuation and in compliance with Accounting Standard 15.

5.3 Apportionment of Expenses

(i) Head office business :

Operating expenses relating to insurance business are apportioned to the Revenue Accounts on the basis of Reinsurance Premium accepted during the period for which accounts are prepared, giving weightage of 75% for Marine business & 100 % for Fire, Miscellaneous & Life Reinsurance business.

(ii) Foreign business :

Operating expenses relating to insurance business are also apportioned to the revenue accounts of branches on the same basis as mentioned in 5.3 (i) above.

(iii) Investment Expenses :

Expenses relating to investment are apportioned between Revenue and Profit & Loss Account in the same proportion as stated in Significant Accounting Policy No. 6.

6. APPORTIONMENT OF INTEREST, DIVIDENDS AND RENTS

The income from interest, dividends and rent is apportioned between Profit and Loss Account and Revenue Accounts in the ratio of Shareholders' Fund and Policyholders' Fund respectively at the beginning of the year. The same is further apportioned amongst the revenue accounts on the basis of the respective Policyholders' Fund at the beginning of the year. Shareholders' fund consists of share capital and free reserves. Policyholders' Fund consists of provisions for outstanding claims and reserves for unexpired risks.

7. INVESTMENTS

7.1 Prudential norms prescribed by Reserve Bank of India and the IRDAI are followed in regard to:

- (i) Revenue recognition,
- (ii) Classification of assets into performing and non-performing and
- (iii) Provisioning against performing and non-performing assets.

7.2 Purchases and Sales of shares, bonds, debentures and Government securities are accounted for on the date of contracts.

7.3 The cost of investments includes premium on acquisition, Securities Transaction Tax and their related expenses

7.4 Short term money market instruments such as Collateralized Borrowing and Lending Operations (CBLO), Commercial Paper and Treasury bill, which are discounted at the time of contract at the agreed rate are accounted at their discounted value.

7.5 Investment portfolio in respect of equity shares are segregated into actively traded and thinly traded as prescribed by the IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

7.6 (a) Investment in actively traded equity shares are required to be valued as per the guidelines of IRDA issued vide circular ref.no. IRDA/F&I/INV/ CIR/213/10/2013 dated October 30, 2013. The Corporation has chosen NSE as primary stock exchange and BSE as secondary exchange. Accordingly, the valuation of equity shares is made on the closing price of NSE. If such security is not listed/not traded on NSE on closing day, the closing price of BSE is considered.

(b) Investment in units of mutual funds are valued at Fair value as per IRDAI guidelines 2003-04. Fair value for this purpose is the last quoted NAV in the month of March.

7.7 a) Unrealized gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken under the head "Fair Value Change Account" and on realization reported in Profit and Loss Account.

b) Pending realization, the credit balance in the "Fair Value Change Account" is not available for distribution.

c) Provision is made for diminution in value of investments relating to thinly traded and unlisted shares equivalent to the amount of difference in average book cost and break-up value of the shares except in companies where de-merger has taken place during the Financial Year and latest audited accounts are not available.

Breakup value is computed from the annual reports of companies not beyond 21 months in case of those companies which close their annual accounts on dates other than 31st March or beyond 12 months in case of those companies which close their accounts on 31st March.

d) Provision is made for diminution in value of investment relating to units of venture capital funds equivalent to the amount of difference in book cost and the latest Net Asset Value (NAV).

7.8 Investments in Equity and Preference shares of companies whose latest available audited accounts are beyond 21 months (in case of

those companies which close their annual accounts on dates other than 31st March), or beyond 12 months (in case of those companies which close their annual accounts on 31st March), as on the date of Balance Sheet or whose Net Worth has been fully impaired (negative Net Worth) are valued as under:

- | | | | |
|----|---|---|---|
| a) | Where shares are Actively Traded and Book Value is less than Market Value | : | Fair Value Change Account at Market Value |
|----|---|---|---|

Diminution in value of investments is recognized in the following cases :

- | | | | |
|----|--|---|--|
| b) | Where shares are Actively Traded and Book Value is greater than Market Value | : | Written down to Market Value |
| c) | Thinly traded Equity Shares | : | Written down to nominal value of ₹ 1/- per company |
| d) | Preference Shares | : | At a value proportionate to the face value of the equity shares that bears to its market value and carrying cost is reduced by the diminution value. |

7.9 Investment in Subsidiary and Associate entities are valued at cost as these are strategic investments.

7.10 Final Dividend is accounted for as income in the year of declaration and Interim dividend is accounted as income where the warrants are dated 31st March or earlier.

7.11 Dividends/Interest on shares/debentures under objection/pending deliveries is accounted for on realization/payment.

7.12 Profit or Loss on sale of investments is apportioned between Profit and Loss Account and Revenue Accounts in the ratio of Shareholders' Fund and Policyholders' Fund respectively at the beginning of the year. The

same are further apportioned amongst the revenue accounts on the basis of the respective Policyholders' Fund at the beginning of the year. Shareholders' fund consists of Share Capital and Free Reserves. Policyholders' fund consists of provisions for outstanding claims and reserves for unexpired risks.

Profit/Loss on sale of investments is computed at average book value of investments on the date of sale.

7.13 Expenses relating to safe custody, straight through processing and bank charges etc. on investments are charged to Profit and Loss Account and Revenue Accounts as stated in Significant Accounting Policy No. 5.3.

7.14 Debt securities including Government securities and Redeemable Preference shares have been considered as 'held to maturity' securities and have been measured at historical cost subject to amortization of premium paid over residual period. The call date has been considered as maturity date for amortization of Perpetual Bonds.

7.15 In case of repos transaction, difference between the selling and buying value is treated as interest income.

7.16 Income received from the Fixed Maturity Mutual fund (Dividend Option) is booked as dividend.

7.17 Investments are apportioned between Shareholders' fund & Policyholders' fund in the ratio of balance available in the respective funds at the beginning of the year.

8. FIXED ASSETS

Fixed assets are stated at cost less depreciation. Cost of shares in Co-operative Societies/Companies for property rights acquired is included under the head 'Buildings' under Fixed Assets.

9. AMORTIZATION OF PREMIUM AND PROVISION FOR DOUBTFUL LOANS, INVESTMENTS AND DEBTS

Amortization of premium, provision for doubtful loans, doubtful debts and diminution in the value of investments written off, are recognized in the profit & loss account.

10. COMPLIANCE WITH ACCOUNTING STANDARDS

The Corporation has complied with relevant accounting standards prescribed by ICAI to the extent applicable and IRDA guidelines in preparation of its financial statements.

11. PREMIUM DEFICIENCY:

Premium deficiency is worked out separately for each class of business such as fire, marine, miscellaneous and life. Premium Deficiency is provided for where the incurred claim is higher than the earned premium for any class of business. Premium deficiency is the difference between incurred claim and earned premium.

II. NOTES FORMING PART OF THE ACCOUNTS:

The Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 have been adopted for presentation of the accounts.

➤ Investments

1.(a) Out of Investment held in shares and debentures of the value of ₹ 418,345,527 thousand (Previous Year 444,695,692 thousand) no confirmations regarding actual custody or other documentary evidence for investments in debenture of the value of ₹ 1221 thousand (Previous year ₹ 1221 thousand) were available.

(b) The number of equity shares actually held by the Corporation/Custodian of the Corporation is in excess of number held as per the books of the Corporation. The face value of such excess is ₹ 712 thousand (Previous year ₹ 546 thousand).

2. The Fixed Maturity Mutual Fund Schemes are close ended mutual fund schemes with definite maturity date and with indicative returns.

3.(a) Provision includes provision for standard assets @ 0.40% as per IRDAI-Prudential norms for Income recognition, Asset Classification and provisioning and other related methods in respect of debt portfolio amounting to ₹ 419,704 thousand (Previous Year ₹ 377,720 thousand).

- (b) During the year, the Corporation has undertaken under CDR (Corporate Debt Restructuring) System, following fresh cases of restructuring of corporate debt/loans etc., as under:

(₹ In thousand)

Sl. No	Particulars	Current Year	Previous Year
	Total Amount of assets subjected to restructuring under CDR	1,36,032	0
	The breakup of the same is given here under :		
(i)	Total amount of standard assets subjected to restructuring under CDR	0	0
(ii)	Total amount of sub-standard assets subjected to restructuring under CDR	0	0
(iii)	Total amount of doubtful assets subjected to restructuring under CDR	1,36,032	0
(iv)	Total amount of loss assets subjected to restructuring under CDR	0	0
	TOTAL	1,36,032	0

- (c) Pending clarification from IRDAI in respect of applicability of prudential norms, as prescribed by RBI, for provisions on investment in State Government Securities, the Corporation has followed the prudential norms of provisions for loans and advances as prescribed by IRDAI for the said investments.

- (d) The Corporation has considered latest available NAV for the provisioning of units of venture capital. The details of latest available NAV considered are as follows:

NAV as on	No. of Venture Capital Funds
31st March 2016	15
31st March 2015	21
31st December 2015	05

4. For valuation of actively traded equity shares, March 31, 2016 has been considered as closing day.
5. During the year, the corporation has waived/ written off of debts, loans and interest as follows:

Waiver during the year

(₹ In thousand)

Particulars	No. of cases	Write off	Waiver
Compound Interest	75	-	194.58
Interest on Delayed payment of Principle	2	-	47.97
Total	77	-	242.55

Debts written off during the year

(₹ In thousand)

No of Companies	Amount written down/written off
2	7,414.00

Diminution in the value of Investments written off during the year

(₹ In thousand)

No of Companies	Amount written down/written off
30	1,352,502.00

6. There is no difference between title of ownership in respect of CGS/SGS available in physical/demat format vis-à-vis shown in books of accounts. As regards, difference between title of ownership in respect of bonds/debentures etc. available in physical/demat format vis a vis shown in books of accounts is very old difference. The Corporation has already fully provided for said difference in books of accounts wherever required. Hence during the year, there is no impact in the financial statements.

7. As at 31st March, 2016 all the assets of the Corporation in and outside India are free from encumbrances except for:

- (a) The Government of India stock 12.30%, 2016 deposited with Bank of India as security under Section 7 of the Insurance Act, 1938 is now NIL (Previous year ₹ 295,315 thousand) being withdrawn as per IRDAI circular dated 30.04.2015.
- (b) The Government of India Stock, 7.95% 2032 for ₹ 10,094 thousand and, 8.07% 2017 for ₹ 10,032 thousand and 8.20% 2022 for ₹ 29,977 thousand, 8.24% 2027 for ₹ 17,420 thousand, 8.28% 2027 for ₹ 97,413 thousand and 8.33% 2026 for ₹ 19,782 thousand total amounting to ₹ 184,718 thousand (Previous year total amounting to ₹ 183,840 thousand) and cash deposit of ₹ 4100 thousand (Previous year 4100 thousand) with Clearing Corporation of India Limited as deposit towards Settlement Guarantee Fund.
- (c) In view of margin requirements as recommended by SEBI vide Circular dated 19/03/2008, Corporation has provided Fixed Deposits amounting to ₹ 150,000 thousand (Previous year ₹ 80,000 thousand) as margins in cash segments viz. FDR of ₹ 100,000 thousand (Previous year 50,000 thousand) as collateral is held with NSCCL and FDR of ₹ 50,000 thousand (Previous year ₹ 30,000 thousand) as collateral is held with BSE.
- (d) Margin FDR held by Bank for issue as LC/BG of ₹ 10,607,018 thousand (Previous year ₹ 83,52,709 thousand).

8. The Commitments made and outstanding for Loans, Investments and Fixed Assets (if any) as at 31st March, 2016 are ₹ 256,685 thousand (Previous year ₹ 510,821 thousand).

9. Value of contracts in relation to investments, for

- a) Purchases, where deliveries are pending ₹ NIL (Previous year NIL).
- b) Sales, where payments are overdue ₹ NIL (Previous year NIL).

10. The historical cost of investments valued on Fair Value basis is ₹ 75,083,599 thousand (Previous year ₹ 70,440,575 thousand).

11. The basis of amortization of debt securities is as stated in Significant Accounting Policy No. 7.14.

12. The Corporation does not hold any properties for investment purposes.

13. Provisions regarding unrealized gains/losses have been stated in the Significant Accounting Policies No. 7.7.

➤ **Reinsurance**

14. Underwriting of Direct business stopped from 1st April 2001. Figures are included in Revenue Accounts pertain to run-off business. Run-off liabilities are sufficiently provided for based on advices received.

15. Structured solution cover:

In 2014-15, GIC Re entered into a new three year agreement i.e. Structured Solution incepting on 01.06.2014. The Structured Solutions contract was reviewed and renewed w.e.f. 01.06.2015 on the expiring terms and conditions as under:

- For Non-Marine Domestic business, for risk and cat perils, the protection was renewed, as expiring i.e. from ground up cover of INR 2,000 crore with a deductible of INR 100 Crore.
- For non-marine Foreign Inward business, for risk and cat perils, the arrangement was also renewed as expiring i.e. from ground up cover of USD 20 mln. with a deductible of USD 10 mln.
- The arrangement was also renewed to protect exposures of other classes of business both in domestic and foreign.

As per terms of the contract, the reinsurers are required to tender a notice of cancellation at least 30 days prior to the annual anniversary date of the contract. However, no reinsurer on the panel for this contract had tendered a notice of termination by the due date of 30.04.2016. Hence, technically, the contract cannot be cancelled for the period 1.6.2016 to 31.5.2017. Therefore, no non-renewal premium is payable as on 31.05.2016 as the contract is renewed for the period 01.06.2016 to 31.05.2017.

As per the contract, in case the contract is not renewed on the annual anniversary date i.e. 31.05.2017, as per the treaty terms the net balance of the Structured Solution arrangement named as Funds Withheld Experience Account (FWEA) will be dealt with as follows:

- If the net balance of the FWEA is in a surplus position (positive), then GIC Re will receive from the reinsurer a profit commission equal to 100% of the gross balance of the FWEA on the annual anniversary date.
- If the net balance of the FWEA is in a deficit position (negative), then a non-renewal premium equivalent of 85% of the net negative FWEA balance is to be paid by GIC Re to the reinsurers. GIC Re will then receive, in return, the net present value of the outstanding liabilities (net of corresponding reinstatement premium).

It may be mentioned that as on 31.03.2016, the FWEA Balance is negative to the tune of INR 334 crore as advised by the concerned broker, which is subject to change up to next renewal date i.e.

31.05.2017 due to movements in premium and claim recoveries during the period. If the treaty is discontinued on the renewal date, then the final balance will be ascertained and dealt with as per treaty terms mentioned above.

- Premiums, less reinsurance, written from business during the financial year 2015-16 in India are: ₹ 87,363,257 thousand (Previous year ₹ 76,927,547 thousand) and outside India are ₹ 76,384,590 thousand (Previous year ₹ 61,642,588 thousand).
- Claims less reinsurance during the financial year 2015-16 paid in India are: ₹ 68,825,911 thousand (Previous year ₹ 74,291,697 thousand) and outside India are ₹ 46,231,846 thousand (Previous year ₹ 48,260,116 thousand).
- Segment Reporting as per Accounting Standard -17 "Segment Reporting" of ICAI, has been complied with as required by IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

INDIAN BUSINESS

(₹ in 000)

Class of Business	Earned Premium		Incurred Claims		Net Commission		Expenses of Management		Profit/-Loss on Exchange		Premium Deficiency		Underwriting Profit/Loss(-)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Fire	11598 021	10419 281	16503 301	7581 537	2198 996	2419 442	198 485	171 007	2	- 335			-7302 759	246 960
Motor	31578 810	27839 701	30173 634	29329 831	5041 595	4516 738	309 482	307 688	0	0	0	0	-3945 901	-6314 557
Aviation	587 629	868 311	884 003	298 038	8 051	90 644	801	15 290	0	55 426			-305 225	519 764
Engineering	3621 825	3807 200	-341 439	2826 658	773 682	835 075	45 220	44 933	0	0			3144 362	100 534
W.C.	181 769	169 201	106 138	56 034	31 398	22 983	1 972	1 563	0	0			42 260	88 620
Liability	821 517	641 116	25 453	-156 117	109 473	123 470	8 777	9 314	0	- 83			677 814	664 367
PA	2728 000	2067 099	1385 038	1298 182	1206 286	372 589	31 253	21 838	0	0			105 422	374 490
Health	14807 382	11724 726	11185 338	13480 626	3697 541	2284 058	154 445	134 131	0	0			-229 941	-4174 090
Other Misc.	10575 984	9524 431	15110 491	7964 232	2061 292	1506 450	137 618	108 482	0	0			-6733 417	-54 733
FL/Credit	1272 284	1864 618	2256 631	1832 194	265 824	224 562	15 374	13 827	0	0			-1265 545	-205 966
Marine Cargo	1484 472	1368 479	1363 885	1708 658	220 815	226 731	12 811	13 478	0	0			-113 039	-580 388
Marine Hull	1629 920	1151 804	740 803	1606 423	302 814	280 685	13 767	18 090	442	171	-584 596	584 596	1157 575	-1337 819
Life	1817 366	957 518	1071 535	1026 986	16 746	33 160	17 316	13 350	0	0			711 770	-115 978
TOTAL	82704 980	72403 484	80464 812	68853 282	15934 512	12936 588	947 321	872 991	444	55 178	-584 596	584 596	-14056 625	-10788 794

FOREIGN BUSINESS

(₹ in 000)

Class Business	Earned Premium of		Incurred Claims		Net Commission		Expenses of Management		Profit/-Loss on Exchange		Premium Deficiency		Underwriting Profit/Loss(-)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Fire	33441 504	29267 830	17988 870	18957 382	10187 942	7239 158	482 874	373 140	491 491	-206 462			5273 309	2491 688
Motor	9889 970	8650 958	8818 044	9544 582	3177 205	1983 088	107 860	70 971	411 653	-179 158			-1801 485	-3126 841
Aviation	4117 994	3853 882	2419 994	3789 835	699 104	786 365	47 950	60 517	71 647	-19 451			1022 593	-802 286
Engineering	3728 081	3578 180	2684 146	1679 871	1255 600	1132 651	39 588	37 620	127 637	-54 181			-123 617	673 857
W.C.	36 324	43 586	32 582	21 399	6 387	4 040	535	301	1 468	- 714			-1 713	17 132
Liability	404 531	314 965	558 109	98 630	96 819	64 698	5 571	2 674	19 070	-5 721			-236 899	143 243
PA	496 052	1171 608	185 877	770 762	144 640	187 115	3 497	4 176	18 691	-10 775			180 728	198 780
Health	8244 485	6941 260	10086 636	7810 556	1452 524	1415 385	99 107	97 394	135 236	-43 552			-3258 545	-2425 627
Other Misc.	1672 432	2059 861	944 361	725 077	561 592	542 477	19 199	15 573	87 001	-41 628			234 281	735 106
FL/Credit	112 971	135 814	-36 565	156 555	38 916	30 645	1 158	941	42 828	-17 951			152 290	-70 279
Marine Cargo	2032 796	2389 454	790 752	1833 887	486 545	668 243	12 226	16 778	55 621	-25 202			798 894	-154 656
Marine Hull	4288 061	4424 852	3432 557	4770 217	802 128	807 800	35 771	38 582	95 833	-32 116			113 438	-1223 863
Life	558 208	346 791	628 426	-94 320	59 657	44 272	4 317	2 699	7 082	-2 588			-127 110	391 551
TOTAL	69023 408	63179 040	48533 788	50064 436	18969 059	14905 937	859 653	721 364	1565 258	-639 498	0	0	2226 165	-3152 196

TOTAL BUSINESS (INDIAN+FOREIGN)

(₹ in 000)

Class of Business	Earned Premium		Incurred Claims		Net Commission		Expenses of Management		Profit/-Loss on Exchange		Premium Deficiency		Underwriting Profit/Loss(-)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Fire	45039 525	39687 111	34492 171	26538 919	12386 938	9658 600	681 359	544 148	491 493	-206 797	0	0	-2029 450	2738 647
Motor	41468 780	36490 659	38991 678	38874 414	8218 799	6499 826	417 342	378 659	411 653	-179 158	0	0	-5747 387	-9441 398
Aviation	4705 623	4722 193	3303 996	4087 873	707 155	877 009	48 750	75 807	71 647	35 974	0	0	717 368	-282 522
Engineering	7349 906	7385 380	2342 707	4506 529	2029 282	1967 726	84 808	82 553	127 637	-54 181	0	0	3020 746	774 391
W.C.	218 093	212 787	138 720	77 434	37 785	27 023	2 508	1 864	1 468	- 714	0	0	40 547	105 752
Liability	1226 048	956 081	583 562	-57 487	206 293	188 168	14 348	11 987	19 070	-5 804	0	0	440 915	807 609
PA	3224 051	3238 707	1570 915	2068 944	1350 926	559 704	34 750	26 013	18 691	-10 775	0	0	286 151	573 270
Health	23051 867	18665 986	21271 974	21291 183	5150 064	3699 443	253 552	231 525	135 236	-43 552	0	0	-3488 486	-6599 717
Other Misc.	12248 415	11584 292	16054 852	8689 309	2622 884	2048 927	156 816	124 054	87 001	-41 628	0	0	-6499 136	680 373
FL/Credit	1385 256	2000 432	2220 066	1988 749	304 740	255 207	16 532	14 768	42 828	-17 951	0	0	-1113 255	-276 244
Marine Cargo	3517 268	3757 933	2154 637	3542 545	707 360	894 974	25 037	30 256	55 621	-25 202	0	0	685 855	-735 044
Marine Hull	5917 981	5576 656	4173 360	6376 640	1104 942	1088 485	49 538	56 671	96 275	-31 945	-584 596	584,596	1271 012	-2561 681
Life	2375 574	1304 308	1699 960	932 666	76 403	77 432	21 633	16 049	7 082	-2 588	0	0	584 660	275 573
TOTAL	151728 388	135582 524	128998 600	118917 718	34903 572	27842 524	1806 974	1594 356	1565 702	-584 320	-584 596	584 596	-11830 460	-13940 990

19. Ageing of claims – distinguishing between claims outstanding for different periods:

The Corporation being a reinsurance company does not settle claims directly with the insured. The companies after settling the claims with their insured would recover the claims from the Corporation as per the reinsurance obligations. Such

recoveries are settled with the companies through periodical account statements.

Nevertheless, the outstanding losses as intimated by the companies in respect of facultative business are classified according to the outstanding period as per the details given below:

Details as on 31.03.2016

(₹ in thousand)

Sl. No	Outstanding Period	FIRE		MARINE		ENGINEERING		AVIATION		LIABILITY		MISCELLANEOUS		TOTAL	
		No of claims	Amount	No of claims	Amount	No of claims	Amount	No of claims	Amount	No of claims	Amount	No of claims	Amount	No of claims	Amount
1	30 days	162	351,245	11	34,344	24	14,551	12	26,757	0	0	17	3,592	226	430,488
2	>30days upto six(6) months	343	1,675,181	90	462,934	87	156,874	100	414,701	2	3,330	19	6,669	641	2,719,688
3	>6 months upto 1 year	371	2,747,155	81	205,151	101	171,890	149	248,535	2	118	10	4,837	714	3,377,685
4	>1 year upto 5 years	1211	3,025,046	318	915,461	647	2,594,005	1098	3,381,714	120	264,913	42	120,536	3436	10,301,675
5	>5 years	329	2,201,713	160	331,455	351	219,745	1071	3,049,239	12	664,262	18	49,962	1941	6,117,026
	Total	2416	10,000,339	660	1,949,344	1210	3,157,065	2430	7,120,945	136	932,624	106	185,595	6958	22,946,563

Details as on 31.03.2015

(₹ in thousand)

Sl. No	Outstanding Period	Fire		Marine		Engineering		Aviation		Liability		Miscellaneous		Total	
		No of claims	Amount	No of claims	Amount	No of claims	Amount	No of claims	Amount	No of claims	Amount	No of claims	Amount	No of claims	Amount
1	30 days	43	59,558	14	92,069	12	10,750	17	422,625	0	0	3	4438	89	589,440
2	>30days upto six(6) months	261	10,69,941	65	183666	57	12,10,737	117	176,917	2	634	11	222,369	513	28,64,264
3	>6 months upto 1 year	264	42,99,450	95	851078	135	238,476	204	807,614	28	48,182	8	24,399	734	62,69,199
4	>1 year upto 5 years	1217	44,81,114	363	17,07,978	689	11,53,859	1139	29,30,749	78	643,274	69	142,767	3555	11,059,740
5	>5 years	359	17,43,704	113	125293	333	156,161	758	27,00,611	14	250,127	23	48,818	1600	50,24,714
	Total	2144	11,653,766	650	29,60,084	1226	27,69,984	2235	70,38,515	122	942,217	114	442,792	6491	25,807,358

20. Claims settled and remaining unpaid for a period of more than six months as on 31-03-2016 ₹ NIL (Previous Year ₹ NIL).

21. Corporation has put in place system of continuous reconciliation and monitoring of balances on an ongoing basis with persons/bodies carrying on insurance/reinsurance business. The Corporation has provided a cumulative provision of ₹ 2,356,666 thousand (P.Y ₹ 3,935,192 thousand) for doubtful receivables.

The balances of amount due to/from other persons/ bodies carrying on insurance business and deposits held are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on receipt/confirmation of the same after examination.

22. The Corporation has not provided for catastrophic reserves as IRDAI has not issued any guidelines in this respect.

- 23.** Additional Provision of ₹ 101,517 thousand has been made in respect of Reserve for Unexpired Risk as required by IRDAI for 2015-16 for London Branch (Previous year ₹ 52,571 thousand).
- 24.** During the year, the Corporation has made a provision of ₹ 518,952 thousand (Previous Year ₹ 365,702 thousand) towards unexpired risk reserve for life business as determined by Life Appointed Actuary, as per IRDA guidelines. (Excluding Re-takaful business)
- 25.** The provision for claims incurred but not reported (IBNR) for non -life business is made as certified by the appointed actuary. For GIC Re Head Office, the actuary has adopted a chain ladder method for determining the IBNR provision for the non-life business. The method assumes that trends in the historic data will broadly be followed in the future. For the most recent underwriting periods the chain ladder IBNR estimate is modified using a credibility weighting approach that relies on a-priori estimates

of loss ratios, this approach is known as the Bornhuetter Ferguson ("BF") method. The BF method is designed to reduce the statistical variability in the IBNR estimates for the least developed underwriting years. The IBNR for GIC Re Branch Offices has been calculated and certified by the respective actuary of the branches.

- 26.** As per Corrigendum dated 03.07.2013 on Master Circular dated 05.10.2012 issued by the Insurance Regulatory and Development Authority of India (IRDAI), the basis of computation of Premium Deficiency Reserve (PDR) is required to be disclosed under "Notes forming Part of Accounts".

The above circular provides that from 01.04.2015 premium deficiency shall be recognized at segmental revenue account level. The four Segmental Revenue accounts figures for the financial year 2015-16 are as per the details furnished below:

(₹ in Crore)

SN	Details	Segments				
		Fire	Misc	Marine	Life	TOTAL
1	Gross Premium	6476.12	10715.66	1013.38	230.65	18435.81
2	Net Premium	5130.65	10201.09	852.79	190.26	16374.78
3	Earned Premium	4503.95	9487.80	943.52	237.56	15172.84
4	Incurred Claims	3449.22	8647.85	632.80	170.00	12899.86
5	Difference (3-4) i.e. EP minus IC	1054.74	839.96	310.73	67.56	2272.98

Since the earned premium for each of the above revenue accounts is more than the incurred Claims, no PDR is recognized for the FY 2015-16 (Refer Significant accounting Policy No. 11).

(₹ In thousand)

- 27.** The balance of amount of service tax is subject to reconciliation with service tax returns. The financial impact thereof is not material.
- 28.(a)** The details on account of revaluation included in the net Outstanding Loss Reserves (OSLR) at the end of the year are as under:

Class of Business	Amount
Fire	124,0623
Life	3,012
Marine	247,470
Miscellaneous	720,791
Total	2,211,897

(b) Reference/Benchmark Exchange Rates :

(₹ In thousand)

	Average INR Rate {April '15 to March '16}	Average INR Rate {April '14 to March '15}	Closing INR Rate {31.03.2016}	Closing INR Rate {31.03.2015}
AED	17.80069	16.63829	18.03899	16.91574
GBP	98.44151	98.44635	95.12175	92.0851
MYR	16.22889	18.25974	16.98718	16.80365
USD	65.37612	61.11090	66.2500	62.1315
EURO	72.17484	77.35045	75.37925	66.86592

➤ **Human Resources**

29. Provision for Productivity Linked Lump-sum Incentive to the employees for the year ended 31st March 2016 ₹ NIL (Previous Year ₹ 16,800 thousand).

30. Employees Benefits

The Corporation has classified the various benefits provided to employees as under:

- (i) Pension Superannuation Scheme
- (ii) Defined Benefit Plan
 - (a) Leave Encashment
 - (b) Gratuity
 - (c) Provident Fund
- (iii) Settlement Benefit

During the year Corporation has recognized the following amounts in the Profit And Loss Account based upon the actuary reports:

(₹ In thousand)

Particulars	Year ending 31 st March 2016	Year ending 31 st March 2015
Pension Superannuation Scheme (Employees' Pension Fund)	133,788	40,771
Leave Encashment (Earned leave and Sick Leave)	17,842	5,878
Gratuity (Employees Gratuity Fund)	33,473	87,774
Provident Fund (Employees Provident Fund)	22,024	4,885
Settlement Benefit	1,829	1,547

A) Change in the Present Value of Obligation

(₹ In thousand)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Present Value of Obligation as at 1 April	1,303,844	1,159,320	301,229	183,862	227,340	221,462	12,194	10,648
Interest Cost	96,865	88,920	22,802	14,033	17,778	17,097	954	969
Past Service Cost	0	0	0	0	0	0	0	0
Current Service Cost	41,209	92,567	22,524	14,410	37,263	31,881	697	576
Curtailment Cost/(Credit)	0	0	0	0	0	0	0	0
Settlement Cost/(Credit)	0	0	0	0	0	0	0	0
Benefit Paid	(130,312)	(53,168)	(19,279)	(4,168)	0	0	0	0
Actuarial (Gain)/Loss on Obligation	103,224	16,205	43,921	93,092	(37,199)	(43,100)	178	0
Present Value of Obligation at 31 March	1,414,830	1,303,844	371,197	301,229	245,183	227,340	14,024	12,195

* EL + SL

B) Change in the Fair value of Plan Assets

(₹ In thousand)

Particulars	Pension		Gratuity		Leave Salary		Settlement	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Fair Value of Plan Assets as at 1 April	1,272,735	923,723	225,554	195,961	0	0	0	0
Expected return on Plan Assets	111,959	95,942	20,319	15,146	0	0	0	0
Actuarial Gain/(Loss) on Obligation	(44,486)	60,980	35,455	18,615	0	0	0	0
Contribution	70,924	245,259	75,675	0	0	0	0	0
Benefit Paid	(130,312)	(53,168)	(19,279)	(4,168)	0	0	0	0
Fair Value of Plan Assets at 31 March	1,320,857	1,272,735	337,724	225,554	0	0	0	0
Unpaid Amount	0	0	0	0	0	0	0	0
Fair Value of Plan (Net) Assets at 31 March	1,320,857	1,272,735	337,724	225,554	0	0	0	0
Actual return	107,511	156,922	55,774	33,761	0	0	0	0

C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets (₹ In thousand)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Present Value of Obligation	1,414,830	1,303,844	371,197	301,229	245,182	227,340	14,024	12,195
Fair Value of Plan Assets	1,320,857	1,272,735	337,724	225,554	0	0	0	0
Unfunded Net Asset/ (Liability) Recognized in Balance Sheet	(93,973)	(31,109)	(33,473)	(75,675)	(245,182)	(227,340)	(14,024)	(12,195)

* EL + SL

D) Expenses recognized in the Profit and Loss Account

(₹ In thousand)

For year ending 31st March 2016	Pension	Gratuity	Leave Salary *	Settlement
Current Service Cost	41,209	22,524	37,263	697
Interest Cost	96,865	22,802	17,778	954
Curtailment Cost/(Credit)	0	0	0	0
Settlement Cost/(Credit)	0	0	0	0
Expected Return on Plan Assets	(111,959)	(20,319)	0	0
Net actuarial (gains)/losses recognized in the period	107,673	8,466	(37,199)	178
Total Expenses recognized in the Profit & Loss A/c	133,788	33,473	17,842	1,829

* EL + SL

(₹ In thousand)

For year ending 31st March 2015	Pension	Gratuity	Leave Salary *	Settlement
Current Service Cost	92,567	14,410	31,881	576
Interest Cost	88,920	14,033	17,097	969
Curtailment Cost/(Credit)	0	0	0	0
Settlement Cost/(Credit)	0	0	0	0
Expected Return on Plan Assets	(95,942)	(15,146)	0	0
Net actuarial (gains)/losses recognized in the period	(44,774)	74,477	(43,100)	0
Total Expenses recognized in the Profit & Loss A/c	40,771	87,774	5,878	1,545

* EL + SL

E) Plan Assets

(In %)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Government Securities {Central & State}	55.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00
High quality Corporate Bonds	0.00	30.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	45.00	20.00	100.00	100	0.00	0.00	0.00	0.00

* EL+SL

F) Actuarial Assumption

(In %)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Discount Rate	7.82	7.85	7.82	7.72	7.82	7.72	7.82	7.72
Expected return on assets	9.00	9.00	8.00	8.00	0.00	0.00	0.00	0.00
Salary Escalation	8.00	10.00	10.00	12.00	10.00	12.00	10.00	12.00
Attrition/ withdrawal Rate	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Indian Assured Lives Mortality	2006-08	2006-08	2006-08	2006-08	2006-2008	2006-08	1994-96	1994-96

* EL+SL

G) Other Disclosures

Pension

(₹ in thousand)

Particulars	2015-16	2014-15	2013-14	2012 - 13	2011 - 12	2010 - 11
Experience Adjustment						
On obligation	103,224	16,205	183,129	42,677	121,258	59,993
On plan assets	44,486	(60,980)	9,392	4,330	45,829	29,683
Present Value of obligation	1,414,830	1,303,844	1,159,320	905,058	844,290	701,951
Fair Value of plan assets	1,320,857	1,272,735	923,723	845,167	740,697	602,006
Excess of obligation over plan assets	(93,973)	(31,109)	235,597	59,891	103,594	99,945

Gratuity

(₹ in thousand)

Particulars	2015-16	2014-15	2013-14	2012 - 13	2011 - 12	2010 - 11
Experience Adjustment						
On obligation	43,921	93,092	(18,360)	(9,536)	20,905	32,456
On plan assets	35,455	18,615	629	7,322	(2,709)	(5,504)
Present Value of obligation	371,197	301,229	183,862	183,101	177,284	148,538
Fair Value of plan assets	337,724	225,554	195,961	187,826	138,960	101,650
Excess of obligation over plan assets	(33,473)	(75,675)	(12,099)	(4,725)	38,324	46,888

Leave salary

(₹ in thousand)

Particulars	2015-16	2014-15	2013-14	2012 - 13	2011 - 12	2010 - 11
Experience Adjustment						
On obligation	(37,199)	(43,100)	1,320	(1,268)	65,463	6,199
On plan assets	0	0	0	0	0	0
Present Value of obligation	245,182	227,340	221,463	165,615	149,795	81,672
Fair Value of plan assets	0	0	0	0	0	0
Excess of obligation over plan assets	(245,182)	(227,340)	221,463	165,615	149,795	73,112

Settlement

(₹ in thousand)

Particulars	2015-16	2014-15	2013-14	2012 - 13	2011 - 12	2010 - 11
Experience Adjustment						
On obligation	178	0	119	156	322	(522)
On plan assets	0	0	0	0	0	0
Present Value of obligation	14,024	12,195	10,648	8,800	7,250	6,850
Fair Value of plan assets	0	0	0	0	0	0
Excess of obligation over plan assets	14,024	12,195	10,648	8,800	7,250	6,850

Actuarial gain/loss has been charged to Profit and Loss Account.

➤ **Secretarial**

- 31.** As per the resolution passed at the Extraordinary General Meeting held on 04th February 2016 at GIC Re, Head Office, Mumbai, it was approved to subdivide 10,00,00,000 (Ten crore) equity shares of ₹ 100/- (Rupee One hundred) each into 1000,00,00,000 (One Thousand Crore) equity shares of ₹ 1/- (Rupee One) each.

Accordingly, the number of equity shares and the face value thereof has been recorded at Rupee One per share for Authorized, Issued & Subscribed and Called-up Equity Share capital of the Corporation as on 31.03.2016 (refer schedule 5 and 5A).

32. Investment in Subsidiary & Associate Companies (As on 31st March 2016)

(₹ In thousand)

Sl. No.	Name of the company	Currency	No. of Shares	Face value	% Holding	Acquisition Cost
Subsidiary Company						
1.	GIC Re South Africa Ltd.	Zar	55,750,000	2 Zar	100%	734,591
2.	GIC Re India Corporate Member Ltd.	GBP	01	1 GBP	100%	2
	Total Subsidiary Investments					734,593
Associate Company						
1.	Agriculture Ins. Co. of India Ltd	INR	70,000,000	10 INR	35%	700,000
2.	GIC Bhutan Re Ltd	Nu	1,300,000	100 Nu	26%	130,000
3.	India International Ins. Pte Ltd.	S.D.	10,000,000	1 S.D.	20%	29,479
	Total Associate Investments					859,479

Investment in Subsidiary & Associate Companies (As on 31st March 2015)

(₹ In thousand)

Sl. No.	Name of the company	Currency	No. of Shares	Face value	% Holding	Acquisition Cost
Subsidiary Company						
1.	GIC Re South Africa Ltd.	Zar	55,750,000	2 Zar	100%	734,591
2.	GIC Re India Corporate Member Ltd.*					
	Total Subsidiary Investments					734,591
Associate Company						
1.	Agriculture Ins. Co. of India Ltd	INR	70,000,000	10 INR	35%	700,000
2.	GIC Bhutan Re Ltd	Nu	1,300,000	100 Nu	26%	130,000
3.	India International Ins. Pte Ltd.	S.D.	1,00,00,000	1S.D.	20%	29,479
	Total Associate Investments					859,479

*Note: GIC Re India Corporate Member has been treated as subsidiary of the Corporation as management control of the same passed on to the Corporation in the F.Y. 2013-14, even though the payment for transfer of shares was done on 29.01.2016.

33.(i) Related party Disclosures as per Accounting Standard - 18 "Related Party Transaction" issued by ICAI:

a) Subsidiary Company:

- GIC Re South Africa Ltd., Johannesburg, S.A.
- GIC Re India Corporate Member Limited, London, U.K.

b) Associate Company :

- India International Pte. Limited, Singapore
- Agriculture Insurance Company of India Limited, New Delhi, India
- GIC Bhutan Re Ltd, Bhutan

c) Key Management Personnel:

- Smt. Alice Vaidyan, CMD (w.e.f. 23.01.2016)
- Shri K Sanath Kumar, Acting CMD (up to 18.02.2016)
- Shri A.K. Roy, CMD (up to 31.07.2015)
- Smt. Suchita Gupta, Company Secretary
- Smt. Alice Vaidyan, CFO (Up to 04.09.2015)
- Shri V C Jain, CFO (w.e.f. 04.09.2015)
- Shri G C Gaylong, Whole Time Director (w.e.f. 27.01.2016)

Nature and volume of transactions: With (a&b) above

33.(ii) Statement Showing Related Party Disclosures as per AS-18 of ICAI.

a. Subsidiaries

(₹ in thousand)

Name of the Company	GIC Re South Africa Ltd., Johannesburg, S.A.		GIC Re India Corporate Member Limited, London, U.K.	
	2015-16	2014-15	2015-16	2014-15
Premium Accepted	1,014,430	-	1,518,622	-
Premium Ceded	-	-	-	-
Net Premium	1,014,430	-	1,518,622	-
Commission Paid	271,547	-	641,510	-
Commission Recovered	-	-	-	-
Net Commission	271,547	-	641,510	-
Claims Paid	73,131	-	839,788	-
Claims Recovered	-	-	-	-
Net Claims	73,131	-	839,788	-
Balance on 31st March (-) Indicates amount payable by GIC	-13,407		113,985	

b. Associates

(₹ in thousand)

Name of the Company	Agriculture Insurance Company of India Limited		India International Pte Limited		GIC Bhutan Re Ltd, Bhutan	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Premium Accepted	5,204,251	5,536,543	960,893	1,005,087	13,549	-
Premium Ceded	149	-	3,539	3,381	-	-
Net Premium	5,204,102	5,536,543	957,353	1,001,707	13,549	-
Commission Paid	609,637	545,391	218,924	154,145	-	-
Commission Recovered	-	-	428	466	-	-
Net Commission	609,637	545,391	218,497	153,679	-	-
Claims Paid	4,701,872	5,191,590	1,203,636	772,714	-	-
Claims Recovered	-	-	-	-	-	-
Net Claims	4,701,872	5,191,590	1,203,636	772,714	-	-
Balance on 31st March	NIL	617,934	52,430	259,618	8,657	-

c. Details of Key Managerial Personnel Remuneration for the year ended 31.03.2016 is as follows:

(₹ In thousand)

Sl. No	Name	Designation	Gross Salary	Corp.'s P.F.	House Perquisite	Loan Perquisite	Vehicle Perquisite	LTS Perquisite	Other Perquisite
1	Alice Vaidyan (23.01.16 to 31.03.16)	Chairman-cum-Managing Director	1,590.34	258.95	0.00	0.00	4.12	0.00	0.00
2	Alice Vaidyan (01.04.15 to 04.09.15)	Chief Financial Officer	664.95	29.98	0.00	0.00	9.24	0.00	0.00
3	K.Sanath Kumar (31.07.15 to 18.02.16)	Acting Chairman-cum-Managing Director	2,211.74	280.43	0.00	0.00	0.00	0.00	0.00
4	A.K. Roy (01.04.15 to 31.07.15)	Chairman-cum-Managing Director	720.00	32.00	33.30	0.00	7.20	0.00	183.07
5	G.C. Gaylong (27.01.16 to 31.03.16)	Director	978.772	141.13	19.35	0.00	3.89	0.00	0.00
6	V.C. Jain (04.09.15 to 31.03.16)	Chief Financial Officer	1,808.02	248.14	61.29	0.00	12.42	0.00	2.88
7	Suchita Gupta (01.04.15 to 31.03.16)	Company Secretary	2,312.07	308.65	106.67	0.00	21.60	0.00	3.33

Note : The above salary paid to Key Managerial Personnel includes arrears paid to them during the year as per the Government of India Notification dated 23/01/2016, for revision in pay scales w.e.f 01/08/2012.

Details of Key Managerial Personnel Remuneration for the year ended 31.03.2015 is as follows: (₹ In thousand)

Sl. No	Name	Designation	Gross Salary	Corp.'s P.F.	House Perquisite	Loan Perquisite	Vehicle Perquisite	LTS Perquisite	Other Perquisite
1	A.K. Roy	Chairman-cum-Managing Director	2,593.73	216.00	133.20	0.00	21.60	0.00	0.00
2	Alice Vaidyan	CFO	1,438.94	190.75	0.00	0.00	21.60	0.00	5.00
3	Suchita Gupta	Company Secretary	1,185.90	60.22	83.41	0.00	21.60	428.48	0.00

33.(iii) In terms of Para 9 of AS-18, no disclosure has been made in the financial statements of state-controlled enterprises as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.

34. As per the Ministry of Finance guidelines, Corporation has proposed dividend of ₹ 8,600,000 thousand for the year 2015-16, for which a dividend distribution tax of ₹ 1,750,788 thousand is also provided in the books.

35. Details of the penalty payable by the Corporation during the year 2015-16 are given below:

Sl No.	Authority	Non-Compliance/ Violation	Amount in ₹ in thousand		
			Penalty Awarded	Penalty Paid	Penalty Waived/Reduced
1	Insurance Regulatory and Development Authority	Nil	Nil	Nil	Nil
2	Service Tax Authorities	Nil	Nil	Nil	Nil
3	Income Tax Authorities	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate/Adjudicating Authority/Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies/NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 2013	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central/State/Local Government/Statutory Authority	Nil	Nil	Nil	Nil

➤ **Corporate Accounts**

36. Earnings per Share (EPS) as per Accounting Standards 20 issued by ICAI:

	2015-16	2014-15
Profit after Tax	₹ 28,483,893 thousand	₹ 26,937,205 thousand
Number of equity shares	4,300,000,000	4,300,000,000
Nominal value of share	₹ 1/-	₹ 1/-
Basic and Diluted EPS	₹ 6.62	₹ 6.26

37. Disclosures as per Accounting Standard – 22 “Accounting for Taxes on Income”:

Deferred Tax assets are recognized only if there is a virtual certainty backed by convincing evidence that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

The breakup of Net Deferred Tax Assets is as under:

(₹ In thousand)

Particulars	As on 31.03.2016		As on 31.03.2015	
	Deferred Tax		Deferred Tax	
	Asset	Liability	Asset	Liability
Timing difference on account of difference in book depreciation & depreciation under Income Tax Act, 1961.	-	109,544	49,037	-
Provision for employees benefits	133,812	-	125,668	-
Others	-	-	-	-
Foreign Branches	-	-	-	-
TOTAL	133,812	109,544	174,705	-
Net Deferred Tax	24,268		174,705	-

38. The basis of apportionment of operating expenses to the Revenue Accounts has been stated in the Significant Accounting Policy No. 5.3.

39. (a) Till the F.Y. 2013-14, depreciation on fixed assets was charged on written-down value method at the higher of the rates specified in the Income Tax Rules, 1962 and those specified in Schedule XIV to the Companies Act, 1956. In respect of leasehold properties and intangible assets amortization was made over the period of lease/use. From the F.Y. 2014 – 15, the Corporation has changed the method of depreciation from written down value to straight line method. However, there is no material impact on the financial statements due to such change in depreciation method.

(b) Pursuant to the enactment of the Companies Act 2013, the corporation has applied the estimated useful lives as specified in schedule II. Accordingly, the un-amortized carrying value is being depreciated/amortized over the revised/remaining useful lives. The written down value of fixed assets whose lives have expired as at April 01, 2014 had been charged to Profit and Loss Account in the F.Y 2014-15.

40. Contingent Liabilities:

- (a) Partly paid up investments ₹ Nil (Previous year NIL)
- (b) Underwriting commitments outstanding ₹ NIL (Previous year NIL)
- (c) Claims, other than under policies not acknowledged as debts: ₹ 11,000 thousand (Previous year ₹ 11,000 thousand)
- (d) Guarantees/LC given by or on behalf of the Corporation ₹ 10,607,018 thousand (Previous year ₹ 8,352,709 thousand).
- (e) Statutory demand/liabilities in dispute - Income-tax demands disputed, not provided for ₹ 17,027,139 Thousand (Previous year ₹ 22,496,974 thousand).

- (f) Reinsurance obligations to the extent not provided for in the accounts NIL (Previous year NIL) in view of Significant Accounting Policy No.2.1.
- (g) Pending legal/arbitration cases are very old. These cases are primarily against the erstwhile subsidiary companies and the Corporation has been impleaded as a proforma respondent because of its erstwhile status of the holding company. No financial impact of such cases is envisaged.

41. Performance of Overseas Branches:

(₹ In thousand)

	Dubai	Malaysia	London
Gross Premium	2,06,16,909	78,54,393	50,24,927
Net Premium	1,97,63,572	75,55,300	42,91,256
Earned Premium	1,92,24,442	71,85,982	36,79,798
Incurred Claims	2,06,52,435	55,67,331	26,02,847
Net Commission	45,15,721	22,36,272	866,481
Expenses of Management	2,36,046	41,555	134,644
Profit/-Loss on Exchange	10,517	-87,279	557,154
Underwriting Profit/(-)Loss	-61,69,243	-746,455	632,980
Net Inv. Income in Rev. A/c	263,574	173,413	135,064
Revenue Profit/(-)Loss	-59,05,669	-573,042	768,044

➤ GENERAL

- 42. The Corporation generally makes payments to its creditors within a period of 45 days as stipulated in Micro, Small and Medium Enterprises Act 2006. The Corporation is in the process of identifying Micro, Small and Medium Enterprises as defined in above referred act. Hence relevant disclosures are not made. The Corporation has neither received any claims for interest nor provided any interest payable to Micro, Small and Medium Enterprises as required by aforesaid act.
- 43. The Corporation has paid the arrears of wage during the year, as per the Government of India notification dated 23/01/2016, for revision in pay scales w.e.f 01/08/2012.

44. The Corporation has prepared Cash flow statement adopting the indirect method.
45. Tax liabilities in respect of foreign operation, if any, is accounted on actual basis.
46. Prior period items have not been separately disclosed, as the amount is not material.
47. The summary of the financial statements of the Corporation for the last five years is as per Annexure I.
48. During the year a fraud on the Dubai branch of the Corporation, on account of unauthorized bank transfer of USD 14,27,040/- (equivalent to ₹ 9,45,41,400/- approximately) from Bank of Baroda, Dubai, account number 90010200006032 on June 04, 2015, to PNC Bank A/C of Washington, US has

been noticed and reported. The funds have been located and the bank account has been frozen by the US Government Authorities. The Corporation has taken appropriate legal steps for recovery of the amount including filing Letter Rogatory with appropriate US authorities. Recovery proceedings have been initiated and Corporation is confident of recovery of entire amount. Pending recovery, the amount is shown under the head receivable from debtors as suspense account.

49. The Accounting Ratios of the Corporation are stated in Annexure II.
50. Figures relating to the previous year have been regrouped/rearranged, wherever necessary.

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
Membership No.: 111636

Mumbai

Dated: 29.06.2016

For SAMRIA & CO

Chartered Accountants
Firm Regn No. 109043W

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Usha Sangwan

Director

G C Gaylong

Director & GM

V C Jain

CFO

Dr A K Saxena

Director

D R Waghela

GM Finance

Suchita Gupta

Company Secretary

Summary of Financial Statements

SUMMARY OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st MARCH 2016

Annexure - I

(₹ in lakh)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
OPERATING RESULTS					
1 Gross Premium	1843581	1518397	1468012	1508587	1361795
2 <i>Net Premium Income</i>	1637478	1385701	1321262	1377123	1255824
3 Income from investments (net)	280272	302482	256880	220530	141707
4 Profit on Exchange Fluctuation	15657	-5843	23855	12640	1065
5 Total Income	1933407	1682340	1601997	1610293	1398596
6 Commissions (Net) (Including Brokerage)	349036	278425	244899	290575	206663
7 Operating Expenses	18070	15944	17829	11214	10305
8 Net Incurred Claims	1289986	1189177	1210729	1094234	1398641
9 Change in Unexpired Risk Reserve	120195	29876	-39620	44945	124251
9a Premium Deficiency	-5846	5846	0	-14147	14147
10 Operating Profit/loss	161966	163072	168160	183472	-355411
NON-OPERATING RESULT					
11 Total Income under Shareholders account (Net)	133685	119651	62184	54745	106344
12 Profit/(loss) before tax	295651	282723	230344	238217	-249067
13 Provision for tax	10812	13351	5026	3755	-2192
14 Profit/(loss) after tax	284839	269372	225318	234462	-246875
MISCELLANEOUS					
15 <i>Policy holders Account :</i>					
Total funds	2955589	2701832	2702451	2602203	2385800
Total Investments	3660366	3948334	3356775	3034009	2748688
Yield on Investments	12.91	14.08	12.13	10.13	10.37
16 <i>Shareholders Account :</i>					
Total funds	1482996	1300161	1096858	965456	768546
Total Investments	1783231	1624172	1208808	963601	1622452
Yield on Investments	12.91	14.08	12.13	10.13	10.37

(₹ lakh)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
17 Paid up equity Capital	43000	43000	43000	43000	43000
18 Net worth	1482996	1300161	1096858	965456	768546
19 Total assets	7973258	7809332	6699186	5993989	5373092
20 Yield on total investments	12.91	14.08	12.13	10.13	10.37
21 Earnings per share (₹)	6.62	6.26	5.24	5.45	-5.74
22 Book Value per share (₹)	34.49	30.24	25.51	22.45	17.87
23 Total Dividend	86000	54000	44935	46870	0
24 Dividend per share (₹)	2.00	1.26	1.05	1.09	0

As per our report of even date

For GBCA & ASSOCIATESChartered Accountants
Firm Regn No. 103142W**YOGESH R. AMAL**Partner
Membership No.: 111636

Mumbai

Dated: 29.06.2016

For SAMRIA & COChartered Accountants
Firm Regn No. 109043W**ADHAR SAMRIA**Partner
Membership No.: 049174**Alice G Vaidyan**

Chairman-cum-Managing Director

Usha Sangwan

Director

G C Gaylong

Director & GM

V C Jain

CFO

Dr A K Saxena

Director

D R Waghela

GM Finance

Suchita Gupta

Company Secretary

RATIOS FOR NON - LIFE COMPANIES

Annexure - II

Performance Ratio	Ratio/Percentage			
	Twelve Months Ending		Twelve Months Ending	
	31.03.2016		31.03.2015	
	Domestic	Foreign	Domestic	Foreign
	Total		Total	
1 Gross Premium Growth Rate (segment wise) (Gross premium for the current year divided by the gross premium for the previous year)				
Fire Insurance	26.2	44.1	7.7	-12.1
Motor Insurance	9.4	42.2	18.2	-5.1
Aviation Insurance	-94.3	-17.1	151.0	46.3
Engineering insurance	9.5	14.9	-11.7	-1.4
W.C.	37.2	46.8	-17.2	-49.0
Liability	2.5	136.8	48.5	-38.4
PA	55.7	-14.1	6.1	-69.1
Health	25.2	8.5	27.6	28.5
Other Miscellaneous Insurance	38.0	4.4	-4.0	-28.4
FL/Credit	20.9	27.6	-42.9	-41.5
Marine Cargo	3.4	-23.9	-0.1	-14.9
Marine Hull	-17.2	-1.1	27.0	0.5
Life	41.1	74.0	24.3	29.4
2 Gross Premium to Net worth ratio : (Gross premium for the current year divided by paid up capital and free reserves)	124.3		116.8	
3 Growth rate of Net Worth (Net worth as at the current balance sheet date divided by Net worth as at the previous balance sheet date)	14.1		18.5	
4 Net retention ratio (segment wise) (Net premium divided by gross premium)				
Fire Insurance	55.5	90.7	67.9	92.6
Motor Insurance	100.0	100.0	100.0	100.0
Aviation Insurance	-182.5	83.5	88.8	85.2
Engineering insurance	77.6	95.9	79.9	100.0
W.C.	100.0	100.0	100.0	100.0
Liability	90.5	100.0	87.2	100.0
PA	99.8	100.0	99.5	100.0
Health	100.0	100.0	100.0	100.0
Other Miscellaneous Insurance	83.8	100.0	83.3	100.0
FL/Credit	72.5	100.0	100.0	100.0
Marine Cargo	92.8	83.9	84.3	100.0
Marine Hull	80.3	82.5	68.9	88.7
Life	78.1	100.0	74.3	84.7

RATIOS FOR NON - LIFE COMPANIES

Annexure - II

Performance Ratio	Ratio/Percentage			
	Twelve Months Ending		Twelve Months Ending	
	31.03.2016		31.03.2015	
	Domestic	Foreign	Domestic	Foreign
	Total		Total	
5 Net commission ratio (segment wise) (Commission paid net of reinsurance commission divided by net written premium for that segment)				
Fire Insurance	18.7	25.8	21.3	25.8
Motor Insurance	15.3	26.7	15.0	23.7
Aviation Insurance	-5.2	18.8	6.8	17.2
Engineering insurance	20.7	32.0	23.7	31.6
W.C.	14.9	14.8	15.0	13.7
Liability	12.9	17.0	15.5	26.9
PA	36.3	30.6	17.5	34.0
Health	12.5	6.5	11.5	6.9
Other Miscellaneous Insurance	30.1	81.1	25.8	82.5
FL/Credit	22.4	30.5	16.6	30.7
Marine Cargo	13.1	37.2	15.3	32.7
Marine Hull	19.3	20.3	17.2	18.8
Life	1.2	13.0	3.4	19.8
6 Expenses of management to gross premium ratio (Expenses of management divided by Gross premium)	1.0		1.1	
7 Expenses of management to Net written premium ratio (Expenses of management divided by Net written premium)	1.1		1.2	
8 Net Incurred Claims to Net Earned Premium	85.0		87.7	
9 Combined ratio : (Net Incurred Claims divided by Net Earned Premium plus expenses of management (including net commission) divided by Net written premium)	107.4		109.0	
10 Technical reserves to net premium ratio: (Reserve for unexpired risks plus premium deficiency reserve plus reserve for outstanding claims (including IBNR and IBNER divided by net premium) (All on net basis)	180.5		195.0	

RATIOS FOR NON - LIFE COMPANIES

Annexure - II

Performance Ratio	Ratio/Percentage			
	Twelve Months Ending		Twelve Months Ending	
	31.03.2016		31.03.2015	
	Domestic	Foreign	Domestic	Foreign
	Total		Total	
11 Underwriting balance ratio:	-7.6		-9.6	
12 Operating profit ratio: (Underwriting profit/loss plus investment income divided by net premium)	9.9		11.8	
13 Liquid assets to liabilities ratio: (Liquid assets (Short Term Investments (Schedule 8) plus Short Term Loans (Schedule 9) plus Cash & Bank Balances (Schedule 11)) of the insurer divided by policyholders liabilities (to be discharged within 12 months) (claims outstanding (Schedule 13) plus reserve for unexpired risk and Premium Deficiency (Schedule 14))	41.5		34.4	
14 Net earnings ratio: (Profit after tax divided by net premium)	17.4		19.4	
15 Return on net worth (Profit after tax divided by net worth)	19.2		20.7	
16 Available Solvency Margin (ASM) to Required Solvency Margin (RSM) ratio (Ratio of Available Solvency Margin (ASM) at the end of the Quarter to the Required Solvency Margin (RSM) required to be maintained as per regulations.	3.48		3.04	
17 NPA ratio	1.10		0.79	

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
Membership No.: 111636

Mumbai

Dated: 29.06.2016

For SAMRIA & CO

Chartered Accountants
Firm Regn No. 109043W

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Usha Sangwan

Director

G C Gaylong

Director & GM

V C Jain

CFO

Dr A K Saxena

Director

D R Waghela

GM Finance

Suchita Gupta

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016 AS PER INDIRECT METHOD

(₹ In thousands)

Particulars	31st March 2016	31st March 2015
A) CASH FLOW FROM OPERATING ACTIVITIES		
<i>Net Profit before taxation as per Profit & Loss A/c</i>	29565 068	28272 347
<i>Adjustments for:</i>		
Exchange -Loss/Gain charged	-2320 685	859 451
Provision for diminution in value of investment	1359 916	588 077
Provision for doubtful loans, investments & Debts	-1158 436	1107 131
Amortisation of Premium on Investment	185 605	181 025
Depreciation	95 789	92 462
-Profit/Loss on sale of Assets	223	- 167
Provision for Leave Encashment & Salary Arrears	-106 467	-56 489
Sundry Balances Written off/-back	0 -1944 055	0 2771 490
<i>Operating Profit before working capital changes</i>	27621 013	31043 837
Changes in Unexpired Risk Reserves	12019 459	2987 612
Changes in Premium Deficiency Reserve	-584 596	584 596
Changes in Provisions for Outstanding Claims	13940 843	-3634 095
Changes in Income accrued on Investments	-717 106	-857 789
Changes in Balances with Insurance Companies	2993 839	165 893
Changes in Advance and Deposits	-8971 612	-14031 392
Changes in other Current Liabilities	7674 907 26355 734	7230 054 -7555 121
<i>Cash generated from operations</i>	53976 747	23488 716
Income Tax Paid (Net)	4043 785	2224 903
<i>Net Cash from Operating Activities</i>	58020 532	25713 619
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-424 024	-327 078
Proceeds from sale of Fixed Assets	1 617	1 617
Foreign Currency Translation Reserve	2248 603	-1322 146
Changes in net Investments	-35334 950	-24691 185
<i>Net Cash used in Investing Activities</i>	-33508 754	-26338 792

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016 AS PER INDIRECT METHOD

(₹ In thousands)

Particulars	31st March 2016	31st March 2015
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid	-5400 000	-3311 000
Dividend Tax Paid	-1099 332	-562 705
Net Cash from Financing Activities	-6499 332	-3873 705
D) Effect of Foreign Exchange on Cash & Cash equivalents(Net)	2320 685	-859 451
Net increase in Cash and Cash equivalents (A+B+C+D)	20333 131	-5358 329
Cash and Cash equivalents at beginning of period	77280 874	82639 203
Cash and Cash equivalents at the end of period	97614 005	77280 874

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
Membership No.: 111636

Mumbai

Dated: 29.06.2016

For SAMRIA & CO

Chartered Accountants
Firm Regn No. 109043W

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Usha Sangwan

Director

G C Gaylong

Director & GM

V C Jain

CFO

Dr A K Saxena

Director

D R Waghela

GM Finance

Suchita Gupta

Company Secretary

2015- 16

I. Registration Details

Registration No.	16133	State Code	11
Balance Sheet Date	3/31/2016		

II. Capital Raised During the year (Amount in ₹ thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ thousand)

Total Liabilities	392825 538	Total Assets	392825 538
Sources of Funds			
Paid-up Capital	4300 000	Reserve & Surplus	154018 207
Secured Loans	NIL	Unsecured Loans	NIL
Deferred Taxation Liability	0	Fair Value Change Account	234507 331

Application of Funds

Net Fixed Assets	1702 666	Investment	548017 383
Net Current Assets	-156918 779	Misc. Expenditure	NIL
Accumulated Losses	NIL	Deffered Tax Asset	24 268

IV. Performance of Company (Amount in ₹ thousand)

Turnover	197187 001	Total Expenditure	167621 934
Profit/Loss Before Tax	29565 067	Profit/Loss After Tax	28483 892
Earning per Share in (Rs.)	6.62	Dividend @ %	200.00

V. Generic Name of The Principal Products/Services of Company (as per Monetary terms)

Item Code No.	NOT APPLICABLE
Product Discription	REINSURANCE SERVICE

(₹ & \$ in '000)

	As on 31.03.2016		As on 31.03.2015	
	₹	\$	₹	\$
Gross Premium	184 358 121	2 782 764	151 839 660	2 443 843
Net Premium	163 747 847	2 471 666	138 570 134	2 230 272
Net Earned Premium	151 728 388	2 290 240	135 582 524	2 182 187
Net Claims	128 998 600	1 947 149	118 917 718	1 913 968
% to Earned Premium	85.0%	85.0%	87.7%	87.7%
Net Commission	34 903 572	526 846	27 842 524	448 123
% to Earned Premium	23.0%	23.0%	20.5%	20.5%
Operating Expenses and Other Outgo less Other Income	241 272	3 642	2 178 676	35 066
Premium Deficiency	- 584 596	- 8 824	584 596	9 409
Investment Income Less Expenses apportioned to Revenue a/c	28 027 245	423 053	30 248 157	486 841
Revenue Profit/Loss(-)	16 196 785	235 656	16 307 167	271 871
Investment Income Less Expenses apportioned to P/L a/c	13 487 114	203 579	12 276 980	197 597
Other Income less Other Outgo	1 846 781	27 876	489 311	7 875
Res. for Doubtful Debts, Investment W/off & Amortisation of Prem.on Inv.	1 965 612	29 670	801 110	12 894
PROFIT BEFORE TAX	29 565 068	437 441	28 272 347	464 449
Provision for tax including deferred tax	3 286 807	49 612	1 335 142	21 489
PROFIT AFTER TAX	26 278 261	387 829	26 937 205	442 961
ASSETS:				
Investments	544 359 624	8 216 749	557 250 627	8 968 891
Loans	3 657 759	55 211	3 938 449	63 389
Fixed Assets	1 702 666	25 701	1 376 270	22 151
Deferred Tax Asset	24 268	366	174 705	2 812
Cash and Bank Balances	97 614 005	1 473 419	77 280 875	1 243 828
Advances and Other Assets	149 967 476	2 263 660	141 951 874	2 284 701
TOTAL ASSETS	797 325 798	12 035 106	781 972 799	12 585 770
LIABILITIES:				
Share Capital	4 300 000	64 906	4 300 000	69 208
Reserve and Surplus	154 018 207	2 324 803	133 636 500	2 150 866
Deferred Tax Liabilities	0	0	0	0
Fair Value Change Account	234 507 331	3 539 733	281 468 452	4 530 205
Current Liabilities & Provisions	404 500 260	6 105 664	362 567 847	5 835 492
TOTAL LIABILITIES	797 325 798	12 035 106	781 972 799	12 585 770

1 US\$ = ₹ 66.250 as on 31.03.2016

1 US\$ = ₹ 62.15 as on 31.03.2015

(Percentage relate to the net earned premium of the corresponding period)

Solely for the convenience of readers, performance highlights have been converted into United States Dollar



CONSOLIDATED FINANCIAL STATEMENTS (CFS) YEAR 2015-16

A: SUBSIDIARIES:

- (i) GIC Re South Africa Ltd.
- (ii) GIC Re, India, Corporate Member Ltd.

B: ASSOCIATES:

- (i) Agriculture Insurance Company of India Ltd.
- (ii) GIC Bhutan Re Ltd.
- (iii) India International Insurance Pte. Ltd.

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Members of

GENERAL INSURANCE CORPORATION OF INDIA

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of General Insurance Corporation of India "(the Holding Company)" and its subsidiaries and its associates (collectively referred to as "the Corporation" or "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Revenue Accounts, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

2. Management's Responsibility for the Consolidated Financial Statements

The Holding Corporation's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Corporation in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Corporation is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Corporation and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are

reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Corporation, as aforesaid.

3. Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Corporation's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of

the accounting estimates made by the Holding Corporation's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Corporation as at 31st March 2016, and of surplus of revenue accounts of Fire, Miscellaneous, Marine and Life business and their consolidated profit and their consolidated cash flows for the year ended on that date.

5. Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 77,51,770 thousand as at 31st March, 2016, total revenues of ₹ 1,56,461 thousand and net cash flows amounting to ₹ 13,49,536 thousand for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 13,73,349 thousand for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of three associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

6. Reports on Other Legal & Regulatory Requirements

As required by Section 143(3) of the Act, to the extent applicable, we report that:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and beliefs were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, Consolidated Revenue Accounts, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) With respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (f) On the basis of the written representations received from the directors of the Holding Corporation as on 31st March, 2016 taken on record by the Board of Directors of the Holding Corporation and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies

and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (g) In our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

- ii. the Corporation has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Corporation and its subsidiaries incorporated in India.

For, GBCA & Associates
Chartered Accountants
ICAI Firm Regn. No.103142W

Yogesh Amal
Partner
Membership No. 111636

For, Samria & Co.
Chartered Accountants
ICAI Firm Regn. No. 109043W

Adhar Samria
Partner
Membership No. 049174

Place : Mumbai
Date : June 29, 2016

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Corporation as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of General Insurance Corporation of India "(the Holding Corporation)" and its subsidiaries and its associates (collectively referred to as "the Corporation" or "the Group") which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Corporation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial

controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Corporation and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operation effectiveness of the internal financial control over financial reporting in so far as it relates to an associate which is company incorporated in India, is based on the corresponding information provided by the auditor.

For GBCA & Associates
Chartered Accountants
ICAI Firm Regn. No.103142W

Yogesh Amal
Partner
Membership No. 111636

Place : Mumbai
Date : June 29, 2016

For Samria & Co.,
Chartered Accountants
ICAI Firm Regn. No. 109043W

Adhar Samria
Partner
Membership No. 049174

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GENERAL INSURANCE CORPORATION OF INDIA FOR THE YEAR ENDED 31 MARCH 2016

The preparation of consolidated financial statements of General Insurance Corporation of India for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Insurance Act, 1938 read with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 June 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of General Insurance Corporation of India for the year ended 31 March 2016. We conducted a supplementary audit of the financial statements of General Insurance Corporation of India and Agriculture Insurance Company of India Ltd. but did not conduct supplementary audit of the financial statements of GIC Re South Africa Ltd., GIC Re India Corporate Member Ltd., India International Insurance Pte. Ltd. and GIC Bhutan Re Ltd. for the year ended on that date. Further, section 139(5) and 143(6)(b) of the Act are not applicable to GIC Re South Africa Ltd., GIC Re India Corporate Member Ltd., India International Insurance Pte. Ltd. and GIC Bhutan Re Ltd. being entities incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C & AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) read with Section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Consolidated Financial Position

Balance Sheet

Application of Funds

Current Assets

Advances and Other Assets

Schedule 12: ₹ 15618.11 crore

Current Liabilities

Schedule 13: ₹ 30619.60 crore

The above included ₹ 5547.53 crore representing 'Terrorism Pool (TP) Assets' and 'Terrorism Pool (TP) Liabilities' under Current Assets and Current Liabilities of the Company respectively. The Company is only a Manager to the Indian Market Terrorism Risk Insurance Pool and the TP Assets and the TP Liabilities do not belong to the Company, except to the extent of GIC's share which is separately reflected in the financial statements. The inclusion of entire TP Assets and TP Liabilities under the head Current Assets and Current Liabilities respectively has resulted in the overstatement of both Current Assets and Current Liabilities by ₹ 5547.53 crore.

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

(Roop Rashi)

Place : Mumbai
Dated : 16th September 2016

Principal Director of Commercial Audit and
Ex-officio Member, Audit Board-I, Mumbai

Reply to the Comments of the Comptroller & Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the Consolidated Financial Statements of General Insurance Corporation of India for the year ended 31 March 2016:

The above comment relates to the Accounts of the holding company, General Insurance Corporation of India (GIC Re).

After the WTC terrorist attack in September 2001, the availability of reinsurance protection for Terrorism risk had become very scarce. The Terrorism pool was therefore set up in India w.e.f. 01.04.2002 for writing Terrorism Business in India with GIC Re as the Pool Manager. Since then, GIC Re continues to successfully administer the Pool. Apart from its role as Pool Manager, GIC Re also contributes capacity to the Pool and participates as a reinsurer on the Pool's excess of loss reinsurance protection.

In the capacity of the Pool administrator, Corporation is having full control over entire assets and liabilities of the Terrorism Pool. As the Pool is only a market arrangement, the funds of the Pool are centrally managed and invested by GIC Re with the agreement of the Pool members, as decided by Underwriting/Investment Committee of the Pool, from time to time.

A statement indicating the member-wise share of the Terrorism Pool funds is sent to the individual Pool members on quarterly basis. At the end of every financial year, the Terrorism Pool Assets Account is prepared and placed before the Terrorism Risk Insurance Pool Members for their confirmation and approval.

The reasons for showing these funds in GIC Re books of accounts can be summarized as follows:

1. It is necessary that the liability of the Pool is protected by adequate reinsurance coverage, in view of the probability of a huge loss due to terrorist activities. Securing a reinsurance protection for Terrorism Pool on standalone basis may be very expensive and challenging for GIC Re as Pool Manager.
2. By showing the Terrorism Pool Assets and Liabilities in GIC Re books of accounts, the Corporation is able to buy reinsurance protection on behalf of the Pool at most competitive rates from the International Market. This is possible on account of GIC Re's standing in the international market compounded with the financial strength and managerial capacity of GIC Re which is recognized by the Reinsurers worldwide.
3. Further, during statutory and CAG audit of GIC Re Accounts, the matter had been discussed several times with the Auditors and with their cognizance, Corporation has consistently continued with the practice of showing the terrorism pool assets and liabilities in GIC Re books of accounts since the inception of the Pool w.e.f. 01.04.2002.
4. The effect of the Pool funds is nullified in GIC Re books of accounts as the amount of Assets and Liabilities of the Pool is always identical. Further, the assets and liabilities of the Terrorism Pool are not considered for calculation of Solvency Margin, Analytical Ratios etc.

Nevertheless, in view of the latest comments by CAG on this issue, Corporation will examine the matter and initiate consultation and due deliberations with Members of the Pool, Statutory Auditors and other appropriate Authorities etc. Thereafter, GIC Re will accordingly take necessary action in this regard, while finalizing the annual accounts of the Corporation for the year ended 31 March 2017."

Alice G. Vaidyan
Chairman-cum-Managing Director

Registration No. 112
Date of Registration with IRDAI : 2nd April 2001

**CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016
IN RESPECT OF FIRE INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	46235 952	39840 269
2. Profit on sale of Investments (Net)		3440 837	4634 507
3. Forex Gain/(Loss)		493 701	(206 921)
4. Interest, Dividend & Rent - Gross		5692 524	6218 450
Total (A)		55863 014	50486 305
1. Claims Incurred (Net)	2	35070 446	26635 633
2. Commission (Net)	3	12555 948	9745 045
3. Operating Expenses related to Insurance Business	4	738 349	748 482
4. Expenses relating to Investments		7 577	8 478
5. Premium Deficiency		0	0
Total (B)		48372 320	37137 638
Operating Profit/- Loss from Fire Business C = (A-B)		7490 694	13348 667
APPROPRIATIONS			
Transfer to Shareholders' Account		7490 694	13348 667
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		7490 694	13348 667

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Fire Insurance Business have been fully debited in the Fire Insurance Revenue Accounts as expenses.

The Schedules referred to above form integral part of the revenue account.

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
Membership No.: 111636
Mumbai
Dated: 29.06.2016

For SAMRIA & CO

Chartered Accountants
Firm Regn No. 109043W

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Usha Sangwan

Director

G C Gaylong

Director & GM

V C Jain

CFO

Dr A K Saxena

Director

D R Waghela

GM Finance

Suchita Gupta

Company Secretary

Registration No. 112
Date of Registration with IRDAI : 2nd April 2001

**CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016
IN RESPECT OF MISCELLANEOUS INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	94913 993	85347 395
2. Profit on sale of Investments (Net)		6092 645	7201 777
3. Forex Gain/(Loss)		918 694	(317 983)
4. Interest, Dividend & Rent - Gross		10079 196	9663 225
Total (A)		112004 528	101894 414
1. Claims Incurred (Net)	2	86508 174	81557 919
2. Commission (Net)	3	20622 450	16169 225
3. Operating Expenses related to Insurance Business	4	1059 898	739 608
4. Expenses relating to Investments		13 355	13 178
5. Premium Deficiency		0	0
Total (B)		108203 877	98479 930
Operating Profit/-Loss from Miscellaneous Business C = (A-B)		3800 651	3414 484
APPROPRIATIONS			
Transfer to Shareholders' Account		3800 651	3414 484
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		3800 651	3414 484

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Miscellaneous Insurance Business have been fully debited in the Miscellaneous Insurance Revenue Accounts as expenses.

The Schedules referred to above form integral part of the revenue account.

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
Membership No.: 111636
Mumbai
Dated: 29.06.2016

For SAMRIA & CO

Chartered Accountants
Firm Regn No. 109043W

ADHAR SAMRIA

Partner
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Dr A K Saxena

Director

D R Waghela

GM Finance

Suchita Gupta

Company Secretary

Registration No. 112

Date of Registration with IRDAI : 2nd April 2001
CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016
IN RESPECT OF MARINE INSURANCE BUSINESS

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	9443 297	9356 772
2. Profit on sale of Investments (Net)		989 040	1042 710
3. Forex Gain/(Loss)		152 359	(57 173)
4. Interest, Dividend & Rent - Gross		1636 084	1398 994
Total (A)		12220 780	11741 303
1. Claims Incurred (Net)	2	6330 217	9933 675
2. Commission (Net)	3	1811 133	1995 631
3. Operating Expenses related to Insurance Business	4	79 411	106 147
4. Expenses relating to Investments		2 154	1 904
5. Premium Deficiency		-584 596	584 596
Total (B)		7638 319	12621 953
Operating Profit/-Loss from Marine Business C = (A-B)		4582 461	-880 650
APPROPRIATIONS			
Transfer to Shareholders' Account		4582 461	-880 650
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		4582 461	-880 650

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Marine Insurance Business have been fully debited in the Marine Insurance Revenue Accounts as expenses.

The Schedules referred to above form integral part of the revenue account.

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
Membership No.: 111636

Mumbai

Dated: 29.06.2016

For SAMRIA & CO

Chartered Accountants
Firm Regn No. 109043W

ADHAR SAMRIA

Partner
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Director

D R Waghela

GM Finance

Suchita Gupta

Company Secretary

Registration No. 112
Date of Registration with IRDAI : 2nd April 2001

**CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016
IN RESPECT OF LIFE INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	2411 272	1394 511
2. Profit on sale of Investments (Net)		47 906	48 917
3. Forex Gain/(Loss)		11 253	(2 822)
4. Interest, Dividend & Rent - Gross		83 712	76 287
Total (A)		2554 143	1516 893
1. Claims Incurred (Net)	2	1750 283	986 033
2. Commission (Net)	3	74 359	78 376
3. Operating Expenses related to Insurance Business	4	26 025	64 394
4. Expenses relating to Investments		674	543
5. Premium Deficiency		0	0
Total (B)		1851 341	1129 346
Operating Profit/-Loss from Life Business C = (A-B)		702 802	387 547
APPROPRIATIONS			
Transfer to Shareholders' Account		702 802	387 547
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		702 802	387 547

As required by Section 40C (2) of the Insurance Act, 1938, we certify that, all expenses of management, wherever incurred, whether directly or indirectly, in respect of Life Insurance Business have been fully debited in the Life Insurance Revenue Accounts as expenses.

The Schedules referred to above form integral part of the revenue account.

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
Membership No.: 111636
Mumbai
Dated: 29.06.2016

For SAMRIA & CO

Chartered Accountants
Firm Regn No. 109043W

ADHAR SAMRIA

Partner
Membership No.: 049174

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Director

D R Waghela

GM Finance

Suchita Gupta

Company Secretary

Registration No. 112
Date of Registration with IRDAI : 2nd April, 2001

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Operating Profit/(Loss)			
(a) Fire Insurance		7490 694	13348 667
(b) Marine Insurance		4582 460	(880649)
(c) Miscellaneous Insurance		3800 651	3414 484
(d) Life Insurance		702 801	387 547
2. Income from Investments			
(a) Interest, Dividend & Rent - Gross		8317 204	7053 309
(b) Profit on sale of Investments		5087 417	5244 693
Less: Loss of sale of Investment		0	0
3. Other Income:			
Forex Gain/(Loss)		777 981	(275 688)
Profit on sale of Assets (Net)		0	0.00
Sundry Balances Written Back (Net)		0	0
Interest on Income-tax Refund		0	2327 674
(Provision)/Doubtful Debts written back		1573 298	(1075 122)
Miscellaneous Receipts		23 340	20 777
Total (A)		32355 846	29565 692
4. Provision for Doubtful Loans & Investment		420 091	32 008
5 (Provision) for Doubtful Debts written back		0.00	0
6 Amortisation of premium on Investments		185 605	181 025
7 Diminution in the value of investments written off		1359 916	588 077
8 Other Expenses :			
Expenses relating to Investments		13 752	10 281
Loss on Exchange		0	0
Profit/(Loss) on sale of Assets (Net)		223	(167)
Sundry Balances Written off (Net)		0	0
Interest Motor Pool & Others		7 519	318 005
Corporate Social Responsibility Expenses		490 936	179 481
Total (B)		2478 042	1308 710

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
Profit Before Tax		29877 804	28256 982
Provision for Taxation :			
Current Tax		5123 792	5070 799
Wealth Tax		0	11 359
MAT Credit		(1884 959)	(3653 300)
Deferred Tax		150 425	(107 630)
Provision for Tax in respect of earlier years		(101 341)	14 713
MAT Credit of earlier year		(2205 632)	0
Profit After Tax		28795 519	26921 041
Share of Profit in Associates Companies		1373 349	899 846
Profit for the year		30168 868	27820 887
Appropriations			
(a) Balance brought forward from last year		10493 923	9900 761
(b) Interim dividend		0	0
(c) Proposed Final dividend		8600 000	5632 354
(d) Dividend distribution tax		1750 788	1099 332
(e) Transfer to General Reserve		18133 000	20496 038
Balance carried forward to Balance Sheet		12179 002	10493 923
Basic and Diluted EPS		7.02	6.47

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
Membership No.: 111636

For SAMRIA & CO

Chartered Accountants
Firm Regn No. 109043W

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

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Director

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Dr A K Saxena

Director

D R Waghela

GM Finance

Suchita Gupta

Company Secretary

Mumbai

Dated: 29.06.2016

Registration No. 112
Date of Registration with IRDAI : 2nd April, 2001

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2016

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
SOURCES OF FUNDS			
Share Capital	5	4300 000	4300 000
Reserves and Surplus	6	166275 413	144256 118
Borrowings	7	0	0
Deferred Tax Liability		0	0
Fair Value Change Account		234514 802	281475 674
Total		405090 215	430031 792
APPLICATION OF FUNDS			
Investments	8 & 8A	556807 227	567577 368
Loans	9	3657 759	3938 449
Fixed Assets	10	1709 509	1384 489
Goodwill on Consolidation		273 832	273 832
Deferred Tax Asset		51 063	205 670
Current Assets:			
Cash and Bank Balances	11	97793 636	77488 759
Advances and Other Assets	12	156181 138	145612 226
Sub-Total (A)		253974 774	223100 985
Current Liabilities	13	306196 033	275570 058
Provisions	14	105187 916	90878 943
Sub-Total (B)		411383 949	366449 001
Net Current Assets (C)=(A-B)		(157409 175)	(143348 016)
Miscellaneous Expenditure	15	0	0
Total		405090 215	430031 792
CONTINGENT LIABILITIES		27645 157	30860 684

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

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
Membership No.: 111636

Mumbai

Dated: 29.06.2016

For SAMRIA & CO

Chartered Accountants
Firm Regn No. 109043W

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GM Finance

Suchita Gupta

Company Secretary

SCHEDULE 1 PREMIUM EARNED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
A FIRE INSURANCE		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	65095 823	47478 135
Less: Premium on Reinsurance ceded	12947 195	7616 664
Net Premium	52148 628	39861 471
Adjustment for change in reserve for unexpired risks	(5912 676)	(21 202)
Total Premium Earned (Net)	46235 952	39840 269
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	44882 912	38522 946
Less: Premium on Reinsurance ceded	0	0
Net Premium	44882 912	38522 946
Adjustment for change in reserve for unexpired risks	(3414 131)	(2032 288)
Total Premium Earned (Net)	41468 781	36490 658
(2) AVIATION		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	4531 748	6863 948
Less: Premium on Reinsurance ceded	974 129	961 890
Net Premium	3557 619	5902 058
Adjustment for change in reserve for unexpired risks	1148 004	(1179 865)
Total Premium Earned (Net)	4705 623	4722 193
(3) ENGINEERING		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	8906 026	7958 220
Less: Premium on Reinsurance ceded	1245 459	854 396
Net Premium	7660 567	7103 824
Adjustment for change in reserve for unexpired risks	(310 661)	281 556
Total Premium Earned (Net)	7349 906	7385 380

SCHEDULE 1
PREMIUM EARNED (NET)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(4) WORKMENS' COMPENSATION		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	253 526	182 702
Less: Premium on Reinsurance ceded	0	0
Net Premium	253 526	182 702
Adjustment for change in reserve for unexpired risks	(35 433)	30 085
Total Premium Earned (Net)	218 093	212 787
(5) LIABILITY		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	1505 296	1153 477
Less: Premium on Reinsurance ceded	89 047	116 619
Net Premium	1416 249	1036 858
Adjustment for change in reserve for unexpired risks	(190 201)	(80 778)
Total Premium Earned (Net)	1226 048	956 080
(6) PERSONAL ACCIDENT		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	3805 190	2691 267
Less: Premium on Reinsurance ceded	5 142	11 685
Net Premium	3800 048	2679 582
Adjustment for change in reserve for unexpired risks	(575 996)	559 125
Total Premium Earned (Net)	3224 052	3238 707
(7) HEALTH		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	25041 895	21049 810
Less: Premium on Reinsurance ceded	0	0
Net Premium	25041 895	21049 810
Adjustment for change in reserve for unexpired risks	(1990 028)	(2383 824)
Total Premium Earned (Net)	23051 867	18665 986

SCHEDULE 1 PREMIUM EARNED (NET)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(8) OTHER MISCELLANEOUS		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	16943 188	12581 096
Less: Premium on Reinsurance ceded	2808 719	1772 572
Net Premium	14134 469	10808 524
Adjustment for change in reserve for unexpired risks	(1850 101)	866 648
Total Premium Earned (Net)	12284 368	11675 172
(9) FINANCIAL LIABILITY/CREDIT		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	1766 695	1455 353
Less: Premium on Reinsurance ceded	450 000	0
Net Premium	1316 695	1455 353
Adjustment for change in reserve for unexpired risks	68 560	545 079
Total Premium Earned (Net)	1385 255	2000 432
TOTAL MISCELLANEOUS		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	107636 476	92458 819
Less: Premium on Reinsurance ceded	5572 496	3717 162
Net Premium	102063 980	88741 657
Adjustment for change in reserve for unexpired risks	(7149 987)	(3394 262)
Total Premium Earned (Net)	94913 993	85347 395
C MARINE INSURANCE		
(1) MARINE CARGO		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	3470 179	3863 117
Less: Premium on Reinsurance ceded	461 193	277 104
Net Premium	3008 986	3586 013
Adjustment for change in reserve for unexpired risks	516 330	194 103
Total Premium Earned (Net)	3525 316	3780 116

SCHEDULE 1
PREMIUM EARNED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(2) MARINE HULL		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	6756 228	7217 036
Less: Premium on Reinsurance ceded	1225 493	1282 284
Net Premium	5530 735	5934 752
Adjustment for change in reserve for unexpired risks	387 247	(358 096)
Total Premium Earned (Net)	5917 982	5576 656
TOTAL MARINE		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	10226 407	11080 153
Less: Premium on Reinsurance ceded	1686 686	1559 388
Net Premium	8539 721	9520 765
Adjustment for change in reserve for unexpired risks	903 577	(163 993)
Total Premium Earned (Net)	9443 298	9356 772
D LIFE INSURANCE		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	2383 760	1684 465
Less: Premium on Reinsurance ceded	432 025	419 400
Net Premium	1951 735	1265 065
Adjustment for change in reserve for unexpired risks	459 537	129 446
Total Premium Earned (Net)	2411 272	1394 511
E TOTAL ALL CLASSES		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	185342 466	152701 572
Less: Premium on Reinsurance ceded	20638 402	13312 614
Net Premium	164704 064	139388 958
Adjustment for change in reserve for unexpired risks	(11699 549)	(3450 011)
Total Premium Earned (Net)	153004 515	135938 947

SCHEDULE 2 CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
A FIRE INSURANCE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	37610 929	36729 315
Less: Reinsurance ceded	7896 159	1563 411
Net Claims Paid	29714 770	35165 904
Add: Claims Outstanding at the end of the year	72946 184	67685 299
Less: Claims Outstanding at the beginning of the year	67590 508	76215 570
Total Claims Incurred	35070 446	26635 633
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	29418 461	41344 945
Less: Reinsurance ceded	0	0
Net Claims Paid	29418 461	41344 945
Add: Claims Outstanding at the end of the year	61161 102	51587 884
Less: Claims Outstanding at the beginning of the year	51587 884	54058 415
Total Claims Incurred	38991 679	38874 414
(2) AVIATION		
Claims Paid		
Direct	(11 700)	4 057
Add: Reinsurance accepted	3901 682	3324 259
Less: Reinsurance ceded	332 185	143 556
Net Claims Paid	3557 797	3184 760
Add: Claims Outstanding at the end of the year	8550 135	8803 936
Less: Claims Outstanding at the beginning of the year	8803 936	7900 822
Total Claims Incurred	3303 996	4087 874

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(3) ENGINEERING		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	4392 151	3889 855
Less: Reinsurance ceded	164 800	17 234
Net Claims Paid	4227 351	3872 621
Add: Claims Outstanding at the end of the year	16497 841	18382 485
Less: Claims Outstanding at the beginning of the year	18382 485	17748 578
Total Claims Incurred	2342 707	4506 528
(4) WORKMENS' COMPENSATION		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	89 996	79 206
Less: Reinsurance ceded	0	0
Net Claims Paid	89 996	79 206
Add: Claims Outstanding at the end of the year	210 187	161 463
Less: Claims Outstanding at the beginning of the year	161 463	163 235
Total Claims Incurred	138 720	77 434
(5) LIABILITY		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	436 967	243 887
Less: Reinsurance ceded	0	38 252
Net Claims Paid	436 967	205 635
Add: Claims Outstanding at the end of the year	1726 140	1579 545
Less: Claims Outstanding at the beginning of the year	1579 545	1842 666
Total Claims Incurred	583 562	(57 486)

SCHEDULE 2 CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(6) PERSONAL ACCIDENT		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	1443 703	2586 724
Less: Reinsurance ceded	0	0
Net Claims Paid	1443 703	2586 724
Add: Claims Outstanding at the end of the year	2015 981	1888 768
Less: Claims Outstanding at the beginning of the year	1888 768	2406 549
Total Claims Incurred	1570 916	2068 943
(7) HEALTH		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	21544 530	17748 458
Less: Reinsurance ceded	0	0
Net Claims Paid	21544 530	17748 458
Add: Claims Outstanding at the end of the year	12428 273	12700 829
Less: Claims Outstanding at the beginning of the year	12700 829	9158 105
Total Claims Incurred	21271 974	21291 182
(8) OTHER MISCELLANEOUS		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	16974 816	9304 343
Less: Reinsurance ceded	1129 986	0
Net Claims Paid	15844 830	9304 343
Add: Claims Outstanding at the end of the year	9999 821	9811 725
Less: Claims Outstanding at the beginning of the year	9760 096	10395 788
Total Claims Incurred	16084 555	8720 280

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(9) FINANCIAL LIABILITY/CREDIT		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	1995 532	1225 730
Less: Reinsurance ceded	0	0
Net Claims Paid	1995 532	1225 730
Add: Claims Outstanding at the end of the year	6872 775	6648 242
Less: Claims Outstanding at the beginning of the year	6648 242	5885 222
Total Claims Incurred	2220 065	1988 750
TOTAL MISCELLANEOUS		
Claims Paid		
Direct	(11 700)	4 057
Add: Reinsurance accepted	80197 838	79747 407
Less: Reinsurance ceded	1626 971	199 042
Net Claims Paid	78559 167	79552 422
Add: Claims Outstanding at the end of the year	119462 255	111564 877
Less: Claims Outstanding at the beginning of the year	111513 248	109559 380
Total Claims Incurred	86508 174	81557 919
C MARINE INSURANCE		
(1) MARINE CARGO		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	1872 029	3274 157
Less: Reinsurance ceded	58 708	62 823
Net Claims Paid	1813 321	3211 334
Add: Claims Outstanding at the end of the year	5906 120	5576 499
Less: Claims Outstanding at the beginning of the year	5562 583	5230 798
Total Claims Incurred	2156 858	3557 035

SCHEDULE 2 CLAIMS INCURRED (NET)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(2) MARINE HULL		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	4630 060	4242 795
Less: Reinsurance ceded	516 246	309 043
Net Claims Paid	4113 814	3933 752
Add: Claims Outstanding at the end of the year	9740 973	9681 428
Less: Claims Outstanding at the beginning of the year	9681 428	7238 540
Total Claims Incurred	4173 359	6376 640
TOTAL MARINE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	6502 089	7516 952
Less: Reinsurance ceded	574 954	371 866
Net Claims Paid	5927 135	7145 086
Add: Claims Outstanding at the end of the year	15647 093	15257 927
Less: Claims Outstanding at the beginning of the year	15244 011	12469 338
Total Claims Incurred	6330 217	9933 675
D LIFE INSURANCE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	1898 958	1082 099
Less: Reinsurance ceded	344 708	351 647
Net Claims Paid	1554 250	730 452
Add: Claims Outstanding at the end of the year	1056 139	861 050
Less: Claims Outstanding at the beginning of the year	860 106	605 469
Total Claims Incurred	1750 283	986 033
E TOTAL ALL CLASSES		
Claims Paid		
Direct	(11 700)	4 057
Add: Reinsurance accepted	126209 814	125075 773
Less: Reinsurance ceded	10442 792	2485 966
Net Claims Paid	115755 322	122593 864
Add: Claims Outstanding at the end of the year	209111 671	195369 153
Less: Claims Outstanding at the beginning of the year	195207 873	198849 757
Total Claims Incurred	129659 120	119113 260

SCHEDULE 3
COMMISSION

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
A FIRE INSURANCE		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	12675 662	9918 217
Less: Commission on Reinsurance Ceded	119 714	173 172
Net Commission	12555 948	9745 045
Break-up of Commission		
Brokerage	2406 922	1359 923
Commision Paid	10149 026	8385 122
Total Commission	12555 948	9745 045
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	8218 799	6499 826
Less: Commission on Reinsurance Ceded	0	0
Net Commission	8218 799	6499 826
Break-up of Commission		
Brokerage	341 300	252 380
Commision Paid	7877 499	6247 446
Total Commission	8218 799	6499 826
(2) AVIATION		
Commission Paid		
Direct	0	(78 261)
Add: Reinsurance Accepted	731 955	955 853
Less: Commission on Reinsurance Ceded	24 799	583
Net Commission	707 156	877 009
Break-up of Commission		
Brokerage	343 032	373 701
Commision Paid	364 124	503 308
Total Commission	707 156	877 009

SCHEDULE 3 COMMISSION

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(3) ENGINEERING		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	2044 958	1971 232
Less: Commission on Reinsurance Ceded	15 676	3 506
Net Commission	2029 282	1967 726
Break-up of Commission		
Brokerage	129 162	92 753
Commission Paid	1900 120	1874 973
Total Commission	2029 282	1967 726
(4) WORKMENS' COMPENSATION		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	37 785	27 023
Less: Commission on Reinsurance Ceded	0	0
Net Commission	37 785	27 023
Break-up of Commission		
Brokerage	1 642	1 619
Commission Paid	36 143	25 404
Total Commission	37 785	27 023
(5) LIABILITY		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	206 293	190 262
Less: Commission on Reinsurance Ceded	0	2 094
Net Commission	206 293	188 168
Break-up of Commission		
Brokerage	22 141	15 511
Commission Paid	184 152	172 657
Total Commission	206 293	188 168

SCHEDULE 3
COMMISSION

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(6) PERSONAL ACCIDENT		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	1350 952	561 284
Less: Commission on Reinsurance Ceded	26	1 580
Net Commission	1350 926	559 704
Break-up of Commission		
Brokerage	47 068	44 091
Commission Paid	1303 858	515 613
Total Commission	1350 926	559 704
(7) HEALTH		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	5150 064	3699 443
Less: Commission on Reinsurance Ceded	0	0
Net Commission	5150 064	3699 443
Break-up of Commission		
Brokerage	162 692	264 056
Commission Paid	4987 372	3435 387
Total Commission	5150 064	3699 443
(8) OTHER MISCELLANEOUS		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	2769 037	2096 597
Less: Commission on Reinsurance Ceded	151 632	1 478
Net Commission	2617 405	2095 119
Break-up of Commission		
Brokerage	121 131	94 832
Commission Paid	2496 274	2000 287
Total Commission	2617 405	2095 119

SCHEDULE 3 COMMISSION

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(9) FINANCIAL LIABILITY/CREDIT		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	304 740	255 207
Less: Commission on Reinsurance Ceded	0	0
Net Commission	304 740	255 207
Break-up of Commission		
Brokerage	4 813	2 267
Commission Paid	299 927	252 940
Total Commission	304 740	255 207
TOTAL MISCELLANEOUS		
Commission Paid		
Direct	0	(78 261)
Add: Reinsurance Accepted	20814 583	16256 727
Less: Commission on Reinsurance Ceded	192 133	9 241
Net Commission	20622 450	16169 225
Break-up of Commission		
Brokerage	1172 981	1141 210
Commission Paid	19449 469	15028 015
Total Commission	20622 450	16169 225
C MARINE INSURANCE		
(1) MARINE CARGO		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	732 763	907 180
Less: Commission on Reinsurance Ceded	26 572	34
Net Commission	706 191	907 146
Break-up of Commission		
Brokerage	87 697	74 699
Commission Paid	618 494	832 446
Total Commission	706 191	907 145

SCHEDULE 3
COMMISSION

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(2) MARINE HULL		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	1222 828	1166 143
Less: Commission on Reinsurance Ceded	117 886	77 658
Net Commission	1104 942	1088 485
Break-up of Commission		
Brokerage	363 841	257 021
Commission Paid	741 101	831 465
Total Commission	1104 942	1088 486
TOTAL MARINE		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	1955 591	2073 323
Less: Commission on Reinsurance Ceded	144 458	77 692
Net Commission	1811 133	1995 631
Break-up of Commission		
Brokerage	451 538	331 720
Commission Paid	1359 595	1663 911
Total Commission	1811 133	1995 631
D LIFE INSURANCE		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	77 536	85 389
Less: Commission on Reinsurance Ceded	3 178	7 013
Net Commission	74 358	78 376
Break-up of Commission		
Brokerage	17 850	10 531
Commission Paid	56 508	67 845
Total Commission	74 358	78 376
E TOTAL ALL CLASSES		
Commission Paid		
Direct	0	(78 261)
Add: Reinsurance Accepted	35523 372	28333 656
Less: Commission on Reinsurance Ceded	459 483	267 118
Net Commission	35063 889	27988 277
Break-up of Commission		
Brokerage	4049 291	2843 384
Commission Paid	31014 598	25144 893
Total Commission	35063 889	27988 277

SCHEDULE 4 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Employees' remuneration & welfare benefits	902 407	707 551
2 Travel, conveyance and vehicle running expenses	93 414	71 027
3 Training expenses	23 696	10 059
4 Rents, rates and taxes	70 572	47 549
5 Repairs	223 579	214 306
6 Printing & stationery	3 152	3 111
7 Communication	13 257	12 271
8 Legal & professional charges	66 283	153 652
9 Auditors' fees, expenses etc.		
(a) as auditor	11 190	11 875
(b) as advisor or in any other capacity, in respect of		
(i) Taxation matters	300	300
(ii) Others	2	5
10 Advertisement and publicity	56 192	48 995
11 Interest & Bank Charges	12 992	8 671
12 Others	202 710	174 902
13 Depreciation	98 110	94 021
14 Service Tax A/c	4 557	5 131
15 IT Expenses	121 269	95 205
Total	1903 682	1658 631

SCHEDULE 5
SHARE CAPITAL

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 Authorised Capital 10,00,00,00,000 Equity Shares of ₹ 1/- Each	10000 000	10000 000
2 Issued & Subscribed Capital 4,30,00,00,000 Equity Shares of ₹ 1/- Each	4300 000	4300 000
3 Called-up Capital 4,30,00,00,000 Equity Shares of ₹ 1/- Each (Includes 4,06,00,00,000 shares of ₹ 1/ issued by capitalisation of Capital Redemption Reserve and General Reserve and 5,00,00,000 partly paid shares (₹ 0.50 per share paid) made fully paid-up shares by capitalisation of General Reserve)	4300 000	4300 000
Total	4300 000	4300 000

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

Shareholders	Current Year		Previous Year	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters Indian	4,30,00,00,000	100%	4,30,00,00,000	100%

The Shareholders of the corporation have approved the sub-division of each equity share having face value of ₹ 100/- into 100 equity shares having face value of ₹ 1 each. All shares and per share information in the financial results reflect the effect of sub-division for each of the period presented.

SCHEDULE 6
RESERVES AND SURPLUS

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 General Reserve		
Opening Balance	125948 038	105452 000
Add : Transfer from Profit & Loss A/c	18133 000	20496 038
	144081 038	125948 038
2 Catastrophe Reserve	0	0
3 Foreign Currency Translation Reserve	10016 594	7868 586
4 Transfer to reserve revaluation on inv	(1 222)	(54 429)
5 Balance of Profit in Profit & Loss Account	12179 003	10493 923
Total	166275 413	144256 118

SCHEDULE 7
BORROWINGS

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SCHEDULE 8 INVESTMENTS - SHAREHOLDERS' FUND

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Long Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	37039 988	29879 607
2 Other Approved Securities	1088 215	1160 091
3 Other Investments		
(a) Shares		
(aa) Equity - Indian	94491 125	95915 057
Equity - Foreign	569 499	7 816
(bb) Preference	12 897	11 523
(b) Mutual Funds	0	0
(c) Derivative Instruments	0	0
(d) Debentures/Bonds Indian	8021 383	6019 815
Debentures/Bonds Foreign	0	0
(e) Other Securities		
Guaranteed Equity	162	(734 446)
(f) Subsidiaries	0	734 591
(e) Associates - Indian	0	0
Associates - Foreign	3477 328	3830 994
4 Investments in Infrastructure and Social Sector	0	0
(a) Equity	4510 029	4586 044
(b) Debentures/Bonds	17827 480	10679 309
5 Other than Approved Investments	0	0
(a) Equity/Preference/Debentures/Venture Funds	1609 749	1176 154
(b) Preference	9 540	8 508
(c) Debentures/Bond	2871 379	5886 076
(d) Venture Funds	602 726	512 372
(e) Associate Indian	9252 226	8262 198
Short Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	2972 264	814 669
2 Other Approved Securities	203 949	111 719
3 Other Investments		
(a) Shares		
(aa) Equity	0	0
(bb) Preference	0	0
(b) Mutual Funds	929 728	528 523
(c) Derivative Instruments	0	0
(d) Debentures/Bond Indian	1133 904	764 367
Debentures/Bond Foreign	0	0
(e) Other Securities	0	0
Commercial Paper	0	0
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector	0	0
(a) Debentures/Bond	2094 775	1617 867
5 Other than Approved Investments	0	0
(a) Preference Shares	0	0
(b) Debentures/Bond	740 204	581 788
(c) Mutual Funds	0	0
Total	189458 550	172354 642

SCHEDULE 8 A
INVESTMENTS - POLICYHOLDERS' FUND

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Long Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	77110 527	73677 602
2 Other Approved Securities	2462 232	3136 974
3 Other Investments		
(a) Shares		
(aa) Equity - Indian	196340 285	236315 830
Equity - Foreign	18 009	9 128
(bb) Preference	26 799	28 390
(b) Mutual Funds	19 672	21 370
(c) Derivative Instruments	0	0
(d) Debentures/Bonds Indian	17594 527	14831 640
Debentures/Bonds Foreign	0	0
(e) Other Securities		
Guaranteed Equity	338	356
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Equity	9371 255	11299 110
(b) Debentures/Bonds	37043 188	26311 716
5 Other than Approved Investments		
(a) Equity/Preference/Debentures/Venture Funds	3344 850	2897 812
(b) Preference	19 822	20 960
(c) Debentures/Bond	5966 353	14502 133
(d) Venture Funds	1252 386	1262 384
(e) Associate Indian	0	0
Short Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	6175 978	2007 185
2 Other Approved Securities	423 779	295 192
3 Other Investments		
(a) Shares		
(aa) Equity	0	0
(bb) Preference	0	0
(b) Mutual Funds	1931 854	1302 178
(c) Derivative Instruments	0	0
(d) Debentures/Bond Indian	2356 106	1883 249
Debentures/Bond Foreign	0	0
(e) Other Securities	0	0
Commercial Paper	0	0
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Debentures/Bond	4352 670	3986 106
5 Other Investments		
(a) Preference Shares	0	0
(b) Debentures/Bond	1538 047	1433 411
(c) Mutual Funds	0	0
Total	367348 677	395222 726

SCHEDULE 9 LOANS

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Security-wise Classification		
Secured		
(a) On mortgage of property		
(aa) In India *	735 423	757 974
(bb) Outside India	0	0
(b) On Shares, Bonds, Government Securities	0	0
(c) Investments In State Govt. Loans for Housing and Fire fighting	2853 949	3112 087
Unsecured	68 387	68 388
Total	3657 759	3938 449
2 Borrower-Wise Classification		
(a) Central and State Governments	2853 949	3112 087
(b) Banks and Financial Institutions	0	0
(c) Subsidiaries	0	0
(d) Industrial Undertakings	782 984	816 556
(e) Others	20 826	9 806
Total	3657 759	3938 449
3 Performance-Wise Classification		
(a) Loans classified as standard		
(aa) In India	2955 623	3075 668
(bb) Outside India	0	0
(b) Non-performing loans less provisions		
(aa) In India	0	191 648
(bb) Outside India	0	0
Provisions **	702 136	671 133
Total	3657 759	3938 449
4 Maturity-Wise Classification		
(a) Short - Term	296 986	331 193
(b) Long - Term	3360 773	3607 256
Total	3657 759	3938 449

** Includes Provision for Bad and Doubtful Loans

SCHEDULE 10
FIXED ASSETS

(₹ '000)

Particulars	Cost/Gross Block				Depreciation				Net Block	
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	Upto 31.03.2015	Twelve months ended 31.03.2016	On Sales/Adjustment	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Leasehold Land	247 253	-	-	247 253	85 851	3 434	-	89 285	157 968	161 402
Freehold Land	560 132	-	-	560 132	-	-	-	-	560 132	560 132
Buildings	611 494	393 222	-	1004 716	238 217	11 441	-	249 658	755 058	373 277
Furniture & Fittings	25 183	191	149	25 225	21 244	658	104	21 798	3 427	4 146
I.T. Equipments	127 381	7 164	578	133 967	109 513	8 629	530	117 612	16 355	18 103
I.T. Software	343 164	12 533	-	355 697	112 942	65 260	-	178 202	177 495	230 222
Vehicles	48 143	11 599	3 627	56 115	20 002	5 804	1 950	23 856	32 259	28 689
Office Equipments	19 658	1 009	32	20 635	12 393	2 559	43	14 909	5 726	7 381
AC & Water Coolers	12 523	185	22	12 686	11 694	110	7	11 797	889	829
Elevators	2 073	-	-	2 073	2 073	-	-	2 073	-	-
Canteen Appliances	474	-	-	474	363	31	-	394	80	111
Electrical Installation	11 769	25	1796	9 998	11 572	37	1731	9 878	120	197
Fire Alarm Systems	3 408	-	-	3 408	3 408	-	-	3 408	-	-
Total	2012 655	425 928	6 204	2432 379	629 272	97 963	4 365	722 870	1709 509	1384 489
Previous years	1674 419	327 081	5 117	1996 383	531 316	92 463	3 666	620 113		

SCHEDULE 11
CASH AND BANK BALANCES

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Cash & stamps	140	347
2 Bank Balances		
(a) Deposit Accounts - Short term (due within 12 months)	85294 228	66651 121
(b) Current Accounts	4749 627	2480 007
3 Money at Call and Short Notice		
(a) With Bank	334 179	388 498
(b) With other Institutions	7415 461	7968 786
Total	97793 636	77488 759
Balances with non-scheduled banks	Nil	Nil

SCHEDULE 12 ADVANCES AND OTHER ASSETS

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Advances		
1 Reserve Deposits with Ceding Companies	32346 246	26771 754
2 Application Money for Investments	0	0
3 Prepayments	80 298	78 376
4 Advances to Directors/Officers	5 165	5 258
5 Advance Tax Paid and TDS	11864 950	12592 152
Less: Provision for Taxation	10264 986	6768 350
	1599 964	5823 802
6 Service Tax & Others	2920 696	2396 021
7 Deferred Commission	541 799	460 161
Total (A)	37494 168	35535 372
Other Assets		
1 Income accrued on investments	8267 277	7550 171
2 Due from other entities carrying on insurance business (including reinsurers) *	38934 185	39409 820
3 Deposit U/S-7 of Insurance Act	0	295 314
4 Sundry Debtors	175 695	3405 392
5 Sundry Deposits	360 558	289 644
6 MAT Credit Entitlement	15045 407	10954 816
7 Service Tax Unutilised Credit	428 530	343 261
8 Terrorism Pool Assets	55475 318	47828 436
Total (B)	118686 970	110076 854
Total (A+B)	156181 138	145612 226

* Net of ₹ 23,61,895 thousand (PY ₹ 3,935,192 thousand) for provision for bad and doubtful debts

SCHEDULE 13 CURRENT LIABILITIES

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Balances Due to other insurance companies	19392 591	16326 221
2 Deposits held on re-insurance ceded	20022 801	14955 081
3 Sundry Creditors	778 866	662 468
4 Claims Outstanding	210526 459	195797 852
5 LPA Liabilities	0	0
5 Service Tax Liability	0	0
5 Terrorism Pool Liabilities	55475 318	47828 436
Total	306196 033	275570 058

SCHEDULE 14
PROVISIONS

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 Reserve for Unexpired Risk	87346 906	75790 576
2 Reserve for Premium Deficiency	0	584 595
3 For proposed dividends	8600 000	5400 000
4 For dividend distribution tax	1750 788	1099 332
5 For Doubtful Loans, Investment and Debts	5313 238	6471 674
6 For Leave Encashment	245 182	227 340
7 Provision for Pension	93 973	31 109
8 Provision for Gratuity	33 473	75 675
9 Provision for Settlement	14 024	12 195
10 For Salary Arrears	0	130 000
11 For PLLI Arrears	0	16 800
12 Provision for Taxation	12355 436	14577 848
Less: Advance Tax Paid and TDS	10565 103	13538 201
	1790 333	1039 647
Total	105187 916	90878 943

SCHEDULE 15
MISCELLANEOUS EXPENDITURE

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SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CFS) AS ON 31ST MARCH 2016.

I. SIGNIFICANT ACCOUNTING POLICIES:

1. Principles of Consolidation:

The consolidated financial statements relate to General Insurance Corporation of India ("the

Corporation"), its subsidiary companies and the Corporation's share of profit/loss in its associate companies (together referred as the group). The list of subsidiary companies and associates which are included in the consolidation of financial statements are as under:

Sr.No.	Name of the company	Ownership %	Country of incorporation
	Subsidiaries		
1.	GIC Re South Africa Ltd.	100	Johannesburg, SA
2.	GIC Re India Corporate Member Ltd.	100	London, U.K.
	Associates		
1.	Agriculture Insurance Company of India Ltd.	35	India
2.	Indian International Insurance Pte. Ltd.	20	Singapore
3.	GIC Bhutan Re Ltd.	26	Bhutan

The consolidated financial statements have been prepared on the following basis:

- 1.1** The financial statements of the Corporation and its subsidiary companies have been combined on a line-by-line basis by adding together the value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions and resulting profits or losses (unless cost cannot be recovered) in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- 1.2** The difference between the costs of investment in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve on Consolidation as the case may be. The 'Goodwill'/'Capital Reserve' is determined separately for each subsidiary company.
- 1.3** Investments in Associate Companies are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in Associates in consolidated financial statements". Accordingly, the share of profit/loss of each of the associate companies (the loss being restricted to the cost

of investment) has been added to/deducted from the cost of investments. The carrying value is reduced for the distributions received from the associates.

- 1.4** The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is described as Goodwill or Capital Reserve as the case may be. Goodwill or Capital Reserve is included in the carrying amount of investment in associate.
- 1.5** The Corporation accounts for its share in the change in the net assets of the associate, post-acquisition, after eliminating unrealised profits and losses resulting from the transaction between the Corporation and its associate to the extent of its share, through its statement of profit and loss to the extent such change is attributable to the associates' Statement of Profit and Loss.
- 1.6** Financial Statements of Foreign Subsidiaries, being non integral operations, have been converted in Indian Rupees at following exchange rates - (i) Revenue and Expenses : At the average of the year (ii) Assets and Liabilities : At

the end of the year. The resultant translation exchange difference is transferred to "Foreign Currency Translation Reserve". The financial statements of the Subsidiaries and Associates used in the consolidation are drawn up to the same reporting date as that of the Corporation i.e. March 31, 2016 or up to 31st December 2015 in case where the subsidiaries or associates close their financial year on that date.

1.7 The subsidiaries of GIC Re have prepared the accounts in accordance with International Financial Reporting Standards (IFRS)/UK Generally Accepted Accounting Principles (GAAP) as per the required local laws of the respective country. For the purpose of preparing the CFS, to the extent possible, accounting adjustments have been made to align the accounts of the subsidiaries to confirm to the accounting policies followed by the Corporation.

1.8 Following are the material differences with the accounting policies followed by the Corporation:

1.8.1 Unexpired risk reserve – GIC Re South Africa Ltd. has calculated Unexpired Risk Reserve (URR) at 50% on treaty business and 1/365th method for facultative business. No provision for URR is required by GIC Re India Corporate Member Ltd. since the subsidiary reinsures all of its underwriting business to GIC Re.

1.8.2 IBNR rates for the different segments of business are provided by the Regulator. No provision for IBNR is required by GIC Re India Corporate Member Ltd. since the subsidiary reinsures all of its underwriting business to GIC Re.

1.8.3 Provision for taxation including deferred tax is accounted as per local tax laws and in accordance with the provisions of local GAAP.

1.8.4 Statutory Reserves are created in accordance with the requirements of local laws.

2 ACCOUNTING CONVENTION

The Balance Sheet, the Profit and Loss Account, Revenue Accounts and Cash Flow Statement are drawn up in accordance with the provisions of Section 11(1) of the Insurance Act, 1938 and to

comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements also conform to the stipulation specified under the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002. The said statements are prepared on historical cost convention and on accrual basis except as otherwise stated and conform to the statutory provisions and practices prevailing in the General Insurance Industry in India.

3 REINSURANCE BUSINESS

3.1 Reinsurance Revenues

3.1.1 Premium is accounted based on accounts rendered by ceding companies upon receipt of accounts. At the year end, estimates are made for accounts not yet received, based on available information and current trends.

3.1.2 In respect of Indian Market Terrorism Risk Insurance pool and Indian Motor Declined Pool, only the Corporation's share of revenues is recorded as premium.

3.2 Outstanding claims

3.2.1 Estimated liability for outstanding claims in respect of Reinsurance business is based on advices received as of different dates up to the date of finalization of accounts and wherever such advices are not received, on estimates based on available information, current trends, past underwriting experience of the management and actuarial estimation bases.

3.2.2 Provision for claims incurred but not reported (IBNR) is made as certified by the appointed actuary.

3.3 Receivables

Provisions for doubtful debts for receivables are provided as under:-

- (i) Companies in liquidation.
- (ii) Foreign Companies having non-moving balances over a period of three years.
- (iii) Non realizable balances of foreign companies having moving balances.

4 FOREIGN CURRENCY TRANSACTIONS:

Revenue transactions in foreign currencies are converted at the daily rate of exchange on the day accounts are received and transactions are booked.

- 4.1 Non-Monetary items including fixed assets and investments abroad are reported using the exchange rate applicable on the date of acquisition.
- 4.2 Monetary items such as receivables, payables and balances in bank accounts held in foreign currencies are converted using the closing rates of exchange at the balance sheet date.
- 4.3 The exchange gain/loss relating to revenue transaction, due to conversion of foreign currencies is accounted for as revenue in respective revenue accounts. The common exchange gain/loss due to conversion is apportioned between Revenue Account and Profit and Loss Account in same proportion as stated in Significant Accounting Policy No. 7.

5 RESERVE FOR UNEXPIRED RISK

The URR provisions are made as under:

5.1 Non-Life Business:

Reserve for Unexpired Risk in respect of Marine Insurance and Terrorism Risk Business (included in Fire and Engineering) is made at 100% of Net Premium, while for all other classes of insurance is made at 50% of Net Premium of the period for which accounts are prepared.

5.2 Life Business:

Reserve for Unexpired Risk is provided as determined by Actuary.

6 OPERATING EXPENSES RELATING TO INSURANCE BUSINESS (EXPENSES OF MANAGEMENT)

6.1 Depreciation

- 6.1.1 Depreciation is provided on straight line method based on useful life of the assets.
- 6.1.2 Depreciation is provided on pro-rata basis on additions to fixed assets and on assets sold/ discarded/demolished/destroyed during the year.

6.2 Retirement Benefits to Employees

Liabilities on account of retirement benefits to the employees such as pension, gratuity and leave encashment are provided for on accrual basis, based on actuarial valuation.

6.3 Apportionment of Expenses

6.3.1 Head office business

Operating expenses relating to insurance business are apportioned to the Revenue Accounts on the basis of Reinsurance Premium accepted during the period for which accounts are prepared, giving weightage of 75% for Marine business & 100 % for Fire, Miscellaneous & Life Reinsurance business.

6.3.2 Foreign business

Operating expenses relating to insurance business are also apportioned to the revenue accounts of branches on the same basis as mentioned in 6.3.1 above.

6.3.3 Investment Expenses

Expenses relating to investment are apportioned between Revenue and Profit & Loss Account in the same proportion as stated in Significant Accounting Policy No. 7.

7 APPORTIONMENT OF INTEREST, DIVIDENDS AND RENTS

The income from interest, dividends and rent is apportioned between Profit and Loss Account and Revenue Accounts in the ratio of Shareholders' Fund and Policyholders' Fund respectively at the beginning of the year. The same is further apportioned amongst the revenue accounts on the basis of the respective Policyholders' Fund at the beginning of the year. Shareholders' fund consists of share capital and free reserves. Policyholders' Fund consists of provisions for outstanding claims and reserves for unexpired risks.

8 INVESTMENTS

- 8.1 Prudential norms as prescribed by appropriate regulatory authority are followed in regard to:
 - (i) Revenue recognition,

- (ii) Classification of assets into performing and non-performing and
- (iii) Provisioning against performing and non-performing assets.
- 8.2 The cost of investments includes premium on acquisition and other related expenses.
- 8.3 Short term money market instruments such as Collateralized Borrowing and Lending Operations (CBLO), Commercial Paper and Treasury bill, which are discounted at the time of contract at the agreed rate are accounted at their discounted value.
- 8.4 a) Unrealized gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken under the head "Fair Value Change Account" and on realization reported in Profit and Loss Account.
b) Pending realization, the credit balance in the "Fair Value Change Account" is not available for distribution.
- 8.5 Final Dividend is accounted for as income in the year of declaration and Interim dividend is accounted as income where the warrants are dated 31st March or earlier.
- 8.6 Dividends/Interest on shares/debentures under objection/pending deliveries is accounted for on realization/payment.
- 8.7 Profit or Loss on sale of investments is apportioned between Profit and Loss Account and Revenue Accounts in the ratio of Shareholders' Fund and Policyholders' Fund respectively at the beginning of the year. The same are further apportioned amongst the revenue accounts on the basis of the respective Policyholders' Fund at the beginning of the year. Shareholders' fund consists of Share Capital and Free Reserves. Policyholders' fund consists of provisions for outstanding claims and reserves for unexpired risks.

Profit/Loss on sale of investments is computed at average book value of investments on the date of sale.

- 8.8 Debt securities including Government securities and Redeemable Preference shares have been considered as 'held to maturity' securities and have been measured at historical cost subject to amortization of premium paid over residual period. The call date has been considered as maturity date for amortization of Perpetual Bonds.
- 8.9 In case of repos transaction, difference between the selling and buying value is treated as interest income.
- 8.10 Income received from the Fixed Maturity Mutual fund (Dividend Option) is booked as dividend.
- 8.11 Investments are apportioned between Shareholders' fund & Policyholders' fund in the ratio of balance available in the respective funds at the beginning of the year.

9 FIXED ASSETS

Fixed assets are stated at cost less depreciation. Cost of shares in Co-operative Societies/Companies for property rights acquired is included under the head 'Buildings' under Fixed Assets.

10 AMORTIZATION OF PREMIUM AND PROVISION FOR DOUBTFUL LOANS, INVESTMENTS AND DEBTS

Amortization of premium, provision for doubtful loans, doubtful debts and diminution in the value of investments written off, are recognized in the profit & loss account.

11 COMPLIANCE WITH ACCOUNTING STANDARDS

The Corporation has complied with relevant accounting standards prescribed by ICAI to the extent applicable and IRDAI guidelines in preparation of its financial statements.

12 PREMIUM DEFICIENCY:

Premium deficiency is worked out separately for each class of business such as fire, marine, miscellaneous and life. Premium deficiency is provided for where the incurred claim is higher than the earned premium for any class of business. Premium deficiency is the difference between incurred claim and earned premium.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS ON 31ST MARCH, 2016.

1 The accounts of the subsidiary company, GIC Re India Corporate Member Ltd., London, UK and associates, India International Pte. Ltd., Singapore and GIC Re Bhutan Ltd., Bhutan, which are combined in the consolidated financial statements, are prepared on calendar year basis in accordance with the local requirements and these have been consolidated as such. There are no material changes during the quarter January 2016 to March 2016 requiring adjustments to the figures reported in the audited/unaudited accounts as received.

2 Investments

2.1 Provision of ₹ 419,704 thousand (Previous Year ₹ 377,720 thousand) for assets has been made as per Prudential norms for Income recognition, Asset Classification and provisioning and other related methods as prescribed by appropriate regulatory authorities.

2.2 The historical cost of investments valued on Fair Value basis is ₹ 75,661,126 thousand (Previous year ₹ 70,095,288 thousand).

3 Re-insurance

3.1 During the year, the Corporation has made a provision of ₹ 599,267 thousand (Previous Year

₹ 443,961 thousand) towards unexpired risk reserve for life business as determined by Life Appointed Actuary. (Excluding Re-takaful business).

3.2 IBNR Provisioning-

3.2.1 AT HO - Certified by Appointed Actuaries of HO and Branches

3.2.2 AT GIC Re South Africa Ltd. - As per the class-wise IBNR rates provided by the Regulator.

3.2.3 At GIC Re India Corporate Member - No IBNR required as entire business is retroceded to GIC Re Head Office.

4 Employees Benefits

The Corporation has classified the various benefits provided to employees as under:

- (i) Pension Superannuation Scheme
- (ii) Defined Benefit Plan
 - (a) Leave Encashment
 - (b) Gratuity
 - (c) Provident Fund
- (iii) Settlement Benefit

During the year Corporation has recognized the following amounts in the Profit And Loss Account:

(₹ '000)

Particulars	Year ending 31st March, 2016	Year ending 31st March, 2015
Pension Superannuation Scheme (Employees' Pension Fund)	133,788	40,771
Leave Encashment (Earned leave and Sick Leave)	17,842	5,878
Gratuity (Employees Gratuity Fund)	33,473	87,774
Provident Fund (Employees Provident Fund)	22,024	4,885
Settlement Benefit	1,829	1,545

A) Change in the Present Value of Obligation

(₹ '000)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Present Value of Obligation as 1 April	1,303,844	1,159,320	301,229	183,862	227,340	221,462	12,194	10,648
Interest Cost	96,865	88,920	22,802	14,033	17,778	17,097	954	969
Past Service Cost	0	0	0	0	0	0	0	0
Current Service Cost	41,209	92,567	22,524	14,410	37,263	31,881	697	576
Curtailment Cost/(Credit)	0	0	0	0	0	0	0	0
Settlement Cost/(Credit)	0	0	0	0	0	0	0	0
Benefit Paid*	(130,312)	(53,168)	(19,279)	(4,168)	0	0	0	0
Actuarial (Gain)/Loss on Obligation	103,224	16,205	43,921	93,092	(37,199)	(43,100)	178	0
Present Value of Obligation at 31March	1,414,830	1,303,844	371,197	301,229	245,183	227,340	14,024	12,195

* EL + SL

B) Change in the Fair value of Plan Assets

(₹ '000)

Particulars	Pension		Gratuity		Leave Salary		Settlement	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Fair Value of Plan Assets as at 1 April	1,272,735	923,723	225,554	195,961	0	0	0	0
Expected return on Plan Assets	111,959	95,942	20,319	15,146	0	0	0	0
Actuarial Gain/ (Loss) on Obligation	(44,486)	60,980	35,455	18,615	0	0	0	0
Contribution	70,924	245,259	75,675	0	0	0	0	0
Benefit Paid	(130,312)	(53,168)	(19,279)	(4,168)	0	0	0	0
Fair Value of Plan Assets at 31 March	1,320,857	1,272,735	337,724	225,554	0	0	0	0
Unpaid Amount	0	0	0	0	0	0	0	0
Fair Value of Plan (Net) Assets at 31 March	1,320,857	1,272,735	337,724	225,554	0	0	0	0
Actual return	107,511	156,922	55,774	33,761	0	0	0	0

C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

(₹ '000)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Present Value of Obligation	1,414,830	1,303,844	371,197	301,229	245,182	227,340	14024	12,195
Fair Value of Plan Assets	1,320,857	1,272,735	337,724	225,554	0	0	0	0
Unfunded Net Asset/ (Liability) Recognized in Balance Sheet	(93,973)	(31,109)	(33,473)	(75,675)	(245,182)	(227,340)	(14024)	(12,195)

* EL + SL

D) Expenses recognized in the Profit and Loss Account

(₹ '000)

For year ending 31st March 2016	Pension	Gratuity	Leave Salary *	Settlement
Current Service Cost	41,209	22,524	37,263	697
Interest Cost	96,865	22,802	17,778	954
Curtailment Cost/(Credit)	0	0	0	0
Settlement Cost/(Credit)	0	0	0	0
Expected Return on Plan Assets	(111,959)	(20,319)	0	0
Net actuarial (gains)/losses recognized in the period	107,673	8,466	(37,199)	178
Total Expenses recognized in the Profit & Loss A/c	133,788	33,473	17,842	1,829

*EL + SL

(₹ '000)

For year ending 31st March 2015	Pension	Gratuity	Leave Salary *	Settlement
Current Service Cost	92,567	14,410	31,881	576
Interest Cost	88,920	14,033	17,097	969
Curtailment Cost/(Credit)	0	0	0	0
Settlement Cost/(Credit)	0	0	0	0
Expected Return on Plan Assets	(95,942)	(15,146)	0	0
Net actuarial (gains)/losses recognized in the period	(44,774)	74,477	(43,100)	0
Total Expenses recognized in the Profit & Loss A/c	40,771	87,774	5,878	1,545

* EL + SL

E) Plan Assets

(In %)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Government Securities (Central & State)	55	50	0	0	0	0	0	0
High quality Corporate Bonds	0	30	0	0	0	0	0	0
Others	45	20	100	100	0	0	0	0

* EL+SL

F) Actuarial Assumption

(In %)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Discount Rate	7.82	7.85	7.82	7.72	7.82	7.72	7.82	7.72
Expected return on assets	9.00	9.00	8.00	8.00	0.00	0.00	0.00	0.00
Salary Escalation	8.00	10.00	10.00	12.00	10.00	12.00	10.00	12.00
Attrition/ withdrawal Rate	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Indian Assured Lives Mortality	2006-08	2006-08	2006-08	2006-08	2006-2008	2006-08	1994-96	1994-96

* EL+SL

G) Other Disclosures

Pension

(₹ '000)

Particulars	2015-16	2014-15	2013-14	2012 - 13	2011 - 12	2010 - 11
Experience Adjustment						
On obligation	103,224	16,205	183,129	42,677	121,258	59,993
On plan assets	44,486	(60,980)	9,392	4,330	45,829	29,683
Present Value of obligation	1,414,830	1,303,844	1,159,320	905,058	844,290	701,951
Fair Value of plan assets	1,320,857	1,272,735	923,723	845,167	740,697	602,006
Excess of obligation over plan assets	(93,973)	(31,109)	235,597	59,891	103,594	99,945

Gratuity

(₹ '000)

Particulars	2015-16	2014-15	2013-14	2012 - 13	2011 - 12	2010 - 11
Experience Adjustment						
On obligation	43,921	93,092	(18,360)	(9,536)	20,905	32,456
On plan assets	35,455	18,615	629	7,322	(2,709)	(5,504)
Present Value of obligation	371,197	301,229	183,862	183,101	177,284	148,538
Fair Value of plan assets	337,724	225,554	195,961	187,826	138,960	101,650
Excess of obligation over plan assets	(33,473)	(75,675)	(12,099)	(4,725)	38,324	46,888

Leave salary

(₹ '000)

Particulars	2015-16	2014-15	2013-14	2012 - 13	2011 - 12	2010 - 11
Experience Adjustment						
On obligation	(37,199)	(43,100)	1,320	(1,268)	65,463	6,199
On plan assets	0	0	0	0	0	0
Present Value of obligation	245,182	227,340	221,463	165,615	149,795	81,672
Fair Value of plan assets	0	0	0	0	0	0
Excess of obligation over plan assets	(245,182)	(227,340)	221,463	165,615	149,795	73,112

Settlement

(₹ '000)

Particulars	2015-16	2014-15	2013-14	2012 - 13	2011 - 12	2010 - 11
Experience Adjustment						
On obligation	178	0	119	156	322	(522)
On plan assets	0	0	0	0	0	0
Present Value of obligation	14,024	12,195	10,648	8,800	7,250	6,850
Fair Value of plan assets	0	0	0	0	0	0
Excess of obligation over plan assets	14,024	12,195	10,648	8,800	7,250	6,850

Actuarial gain/loss has been charged to Profit and Loss Account.

5 Related party Disclosures as per Accounting Standard - 18 "Related Party Transaction" issued by ICAI:**5.1 Key Management Personnel:**

- Smt. Alice Vaidyan, CMD (w.e.f. 23.01.2016)
- Shri K Sanath Kumar, Acting CMD (up to 18.02.2016)
- Shri A.K. Roy, CMD (up to 31.07.2015)
- Smt. Suchita Gupta, Company Secretary
- Smt. Alice Vaidyan, CFO (Up to 04.09.2015)
- Shri V C Jain, CFO (w.e.f. 04.09.2015)
- Shri G C Gaylong, Whole Time Director (w.e.f. 27.01.2016)

5.2 Details of Key Managerial Personnel Remuneration are as follows:

(₹ '000)

Sl. No	Name	Designation	Gross Salary	Corp.'s P.F.	House Perquisite	Loan Perquisite	Vehicle Perquisite	LTS Perquisite	Other Perquisite
1	Alice Vaidyan (01.04.15 to 04.09.15)	CFO	664.95	29.98	0.00	0.00	9.24	0.00	0.00
2	Alice Vaidyan (23.01.16 to 31.03.16)	CMD	1590.34	258.95	0.00	0.00	4.12	0.00	0.00
3	K.Sanathkumar (31.07.15 to 18.02.16)	Acting CMD	2211.74	280.43	0.00	0.00	0.00	0.00	0.00
4	A.K. Roy (01.04.15 to 31.07.15)	CMD	720.00	32.00	33.30	0.00	7.20	0.00	183.07
5	G.C.Gaylong (27.01.16 to 31.03.16)	Director	978.77	141.13	19.35	0.00	3.89	0.00	0.00
6	V.C.Jain (04.09.15 to 31.03.16)	CFO	1808.02	248.14	61.29	0.00	12.42	0.00	2.88
7	Suchita Gupta (01.04.15 to 31.03.16)	Company Secretary	2312.07	308.65	106.67	0.00	21.60	0.00	3.33

Details of Key Managerial Personnel Remuneration (Previous year)

Sl. No	Name	Designation	Gross Salary	Corp.'s P.F.	House Perquisite	Loan Perquisite	Vehicle Perquisite	LTS Perquisite	Other Perquisite
1	A.K. Roy	CMD	2593.73	216	133.2	0.00	21.6	0.00	0.00
2	Alice Vaidyan	CFO	1438.94	190.75	0.00	0.00	21.6	0.00	5.00
3	Suchita Gupta	Company Secretary	1185.90	60.22	83.41	0.00	21.6	428.48	0.00

6 Earnings per Share (EPS) as per Accounting Standards 20 issued by ICAI:

	2015-16	2014-15
Profit after Tax (₹ 000)	30,168,867	27,822,484
Number of equity shares (₹ 000)	4,300,000	4,300,000
Nominal value of share	1.00	1.00
Basic and Diluted EPS (in ₹)	7.02	6.47

7 Disclosures as per Accounting Standard – 22 “Accounting for Taxes on Income”:

7.1 Deferred Tax assets are recognized only if there is a virtual certainty backed by convincing evidence that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. The breakup of Net Deferred Tax Assets is as under:

(₹ '000)

Particulars	As on 31.03.2016		As on 31.03.2015	
	Deferred Tax		Deferred Tax	
	Asset	Liability	Asset	Liability
Timing difference on account of difference in book depreciation & depreciation under Income Tax Act, 1961.	-	109,544	49,037	-
Provision for employees benefits	133,812	-	125,668	-
Others	27,174	379	31,080	116
Foreign Branches	-	-	-	-
TOTAL	160,986	109,923	205,785	116
Net Deferred Tax	51,063		205,669	-

8 Contingent Liabilities:

- 8.1 Partly paid up investments ₹ Nil (Previous year NIL)
- 8.2 Underwriting commitments outstanding ₹ NIL (Previous year NIL)
- 8.3 Claims, other than under policies not acknowledged as debts: ₹ 11,000 thousand (Previous year ₹ 11,000 thousand)
- 8.4 Guarantees/LC given by or on behalf of the Corporation ₹ 10,607,018 thousand (Previous year ₹ 8,352,709 thousand).
- 8.5 Statutory demand/liabilities in dispute - Income-tax demands disputed, not provided for ₹ 1 7,027,139 thousand (Previous year ₹ 22,496,974 thousand).
- 8.6 Reinsurance obligations to the extent not provided for in the accounts NIL (Previous year NIL) in view of Significant Accounting Policy No. 3.1.
- 8.7 Pending legal/arbitration cases are very old. These cases are primarily against the erstwhile subsidiary companies and the Corporation has been impleaded as a proforma respondent because of its erstwhile status of the holding company. No financial impact of such cases is envisaged.

9 Segment Reporting:

Segment reporting as per Accounting Standard - 17 "Segment Reporting of ICAI, has been compiled with as required by IRDAI (Preparation of Financial Statements and Auditors Report of Insurance companies) Regulation, 2002

(₹ '000)

Class of Business	Earned Premium		Incurred Claims		Net Commission		Expenses of Management		Premium Deficiency		Underwriting Profit/Loss(-)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Fire	46235 952	39840 269	35070 446	26635 633	12555 948	9745 045	681 359	574 877			(2071 801)	2884 714
Motor	41468 780	36490 659	38991 678	38874 414	8218 799	6499 826	417 342	378 659			(6159 040)	(9262 240)
Aviation	4705 623	4722 193	3303 996	4087 873	707 155	877 009	48 750	75 807			645 721	(318 497)
Engineering	7349 906	7385 380	2342 707	4506 529	2029 282	1967 726	84 808	82 553			2893 109	828 572
W.C.	218 093	212 787	138 720	77 434	37 785	27 023	2 508	1 864			39 080	106 466
Liability	1226 048	956 081	583 562	(57 487)	206 293	188 168	14 348	11 987			421 845	813 413
PA	3224 051	3238 707	1570 915	2068 944	1350 926	559 704	34 750	26 013			267 460	584 045
Health	23051 867	18665 986	21271 974	21291 183	5150 064	3699 443	253 552	231 525			(3623 722)	(6556 165)
Other Misc.	12284 368	11675 171	16084 554	8720 281	2617 405	2095 119	156 816	139 502			(6574 407)	720 270
FL/Credit	1385 256	2000 432	2220 066	1988 749	304 740	255 207	16 532	14 768			(1156 082)	(258 293)
Marine Cargo	3525 316	3780 116	2156 858	3557 035	706 191	907 145	25 037	33 097			637 230	(717 161)
Marine Hull	5917 981	5576 656	4173 360	6376 640	1104 942	1088 485	49 538	56 671	(584 596)	584 596	1174 737	(2529 736)
Life	2411 272	1394 511	1750 283	986 033	74 359	78 376	21 633	23 453			564 996	306 649
TOTAL	153004 513	135938 946	129659 120	119113 260	35063 890	27988 276	1806 974	1650 778	(584 596)	584 596	(12940 875)	(13397 963)

10 Financial Information pursuant to schedule III of Companies Act, 2013

Name of the Entities	Net Worth		Share in Profit/(Loss)	
	Percentage of Net Assets	Amount (in ₹ '000)	Percentage of Profit/(Loss)	Amount (in ₹ '000)
Parent Company				
General Insurance Corporation of India (GIC Re)	96.98	392,825,538	95.87	28,483,893
Subsidiaries Companies (Foreign)				
a. GIC Re South Africa Ltd., Johannesburg	0.09	358,918	(0.11)	(31,929)
b. GIC Re India Corporate Member Ltd., London , UK	0.00	7,494	0.01	3,963
Associates Foreign (investment as per Equity method)				
a. India International Pte. Ltd., Singapore	0.82	3,321,418	0.87	260,114
b. GIC Re Bhutan Ltd., Bhutan	0.00	-3,569	0.01	3,930
Associates Indian (investment as per Equity method)				
a. Agriculture Insurance Company of India Ltd. New Delhi	2.11	8,552,226	3.33	990,028
Total	100.00	405,062,025	100.00	29,709,999
Adjustments arising out of consolidation		28,190		458,868
Share of Minority in Subsidiaries	0	0	0	0
Consolidated Net Assets/Net Profit		405,090,215		30,168,867

11 The Corporation has prepared Cash flow statement adopting the indirect method.

12 Prior period items have not been separately disclosed, as the amount is not material.

13 Figures relating to the previous year have been regrouped/rearranged, wherever necessary.

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
Membership No.: 111636

Mumbai

Dated: 29.06.2016

For SAMRIA & CO

Chartered Accountants
Firm Regn No. 109043W

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Usha Sangwan

Director

G C Gaylong

Director & GM

V C Jain

CFO

Dr A K Saxena

Director

D R Waghela

GM Finance

Suchita Gupta

Company Secretary

Consolidated Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016 AS PER INDIRECT METHOD

(₹ '000)

Particulars	31st March 2016	31st March 2015
A) CASH FLOW FROM OPERATING ACTIVITIES		
<i>Net Profit before taxation as per Profit & Loss A/c</i>	29877 803	2 82 93 096
<i>Adjustments for:</i>		
Exchange -Loss/Gain charged	(2353 986)	8 59 451
Provision for diminution in value of investment	1359 916	5 88 077
Provision for doubtful loans, investments & Debts	(1153 207)	11 07 131
Amortisation of Premium on Investment	185 605	1 81 025
Depreciation	98 110	94 371
-Profit/Loss on sale of Assets	223	(1 858)
Provision for Leave Encashment & Salary Arrears	(106 467)	(56 525)
Sundry Balances Written off/-back	0 (1969 806)	11 142 27 82 813
<i>Operating Profit before working capital changes</i>	27907 997	3 10 75 909
Changes in Unexpired Risk Reserves	11556 330	30 12 365
Changes in Premium Deficiency Reserve	(584 596)	5 84 596
Changes in Provisions for Outstanding Claims	14728 606	(32 04 435)
Changes in Income accrued on Investments	(717 106)	(8 57 789)
Changes in Balances with Insurance Companies	3035 232	(16 02 548)
Changes in Advance and Deposits	(8976 788)	(1 28 34 485)
Changes in other Current Liabilities	7763 279 26804 957	72 07 509 (76 94 788)
<i>Cash generated from operations</i>	54712 954	2 33 81 121
Income Tax Paid (Net)	4046 844	22 24 105
<i>Net Cash from Operating Activities</i>	58759 798	2 56 05 226
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(425 927)	(3 36 443)
Proceeds from sale of Fixed Assets	1 616	4 687
Foreign Currency Translation Reserve	2190 849	(13 22 145)
Changes in net Investments	(47108 468)	(2 44 60 037)
<i>Net Cash used in Investing Activities</i>	(45341 930)	(2 61 13 938)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016
AS PER INDIRECT METHOD**

(₹ '000)

Particulars	31st March 2016	31st March 2015
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid	5632 354	(33 11 000)
Dividend Tax Paid	(1099 332)	(5 62 704)
<i>Net Cash from Financing Activities</i>	4533 022	(38 73 704)
D) Effect of Foreign Exchange on Cash & Cash equivalents (Net)	2353 986	(8 47 758)
Net increase in Cash and Cash equivalents (A+B+C+D)	20304 876	(52 30 174)
Cash and Cash equivalents at beginning of period	77488 758	8 27 18 932
Cash and Cash equivalents at the end of period	97793 634	7 74 88 758

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

YOGESH R. AMAL

Partner
Membership No.: 111636

Mumbai

Dated: 29.06.2016

For SAMRIA & CO

Chartered Accountants
Firm Regn No. 109043W

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Usha Sangwan

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Director & GM

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CFO

Dr A K Saxena

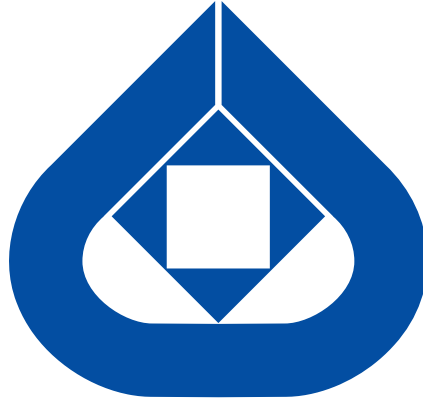
Director

D R Waghela

GM Finance

Suchita Gupta

Company Secretary



आपत्काले रक्षिष्यामि
GIC Re SA Ltd.

GIC RE SOUTH AFRICA LTD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

The financial statements have been audited in compliance with Section 30 of the South African Companies Act 71 of 2008.

Prepared under the supervision of:
D. Prasad
Managing Director and Chief Executive Officer

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DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the annual financial statements of GIC Re South Africa Ltd, comprising the statement of financial position as at 31 March 2016, and the statements of comprehensive income, changes in equity and cash flows for the period then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. In addition the directors are responsible for preparing the Directors' report.

The directors are also responsible for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the annual financial statements

The annual financial statements of GIC Re South Africa Ltd, as identified in the first paragraph, were approved by the board of directors on 24 June 2016 and are signed on their behalf by

D Prasad

Authorised Managing Director

A G Vaidyan

Chairman

Declaration of the Company Secretary

In terms of S88 (2)(e) of the Companies Act 71 of 2008, I certify that in respect of the financial period ended 31 March 2016, the company has lodged with the Registrar of Companies all such returns that are required by the Companies Act, and that all such returns are to the best of my knowledge and belief, true, correct and up to date.

I Blaikie

Company Secretary

AUDIT COMMITTEE REPORT

In addition to having specific statutory responsibilities, the audit committee is a sub-committee of the board of directors. It assists the board through advising and making recommendations on financial reporting, oversight of financial risk management and internal financial controls, external audit functions and statutory and regulatory compliance of the company. General risk management remains the responsibility of the board.

Terms of reference

The audit committee has adopted the formal terms of reference that have been approved by the board of directors, and has executed its duties during the past financial year in accordance with these terms of reference.

The composition of the audit committee

Name	Appointed	Resigned	Qualifications	Position	Independent
S Bhikha	24-Apr-14		B Compt Hons CA(SA)	Chairman	Yes
N Mohan	24-Apr-14	31-May-15	FCII, B Com, ICSI India	Member	No
J Bagg	24-Apr-14		B.Sc. FASSA, FIA, ASA	Member	Yes
B Balachandra	13-Jul-15	4-Feb-16	B.Sc., AIII	Member	No

The executive directors and external auditor attend the committee meetings by invitation only. The external auditor has unrestricted access to the audit committee.

Meetings

The audit committee held three meetings during the year. Attendance at the meetings is shown below:

	13-Jul-15	9-Sep-15	13-Feb-16
Members			
S Bhikha	Yes	Yes	Yes
J Bagg	Yes	Yes	Yes
B Balachandra	Yes	Yes	-

Guests

A G Vaidyan (Chairman of the Board, Non-executive)	-	-	Yes
YR Sunkara (Managing Director & Chief Executive Officer)	Yes	Yes	Yes
D Prasad (Managing Director & Chief Executive Officer Designate)	-	-	Yes
A Malherbe (External Auditor)	Yes	No	No
A Vos (External Auditor)	Yes	No	No
C Falconer (Life Actuary)	Yes	No	No
Statutory duties			

Statutory duties

In the execution of its statutory duties, as required in terms of the Companies Act, during the past financial year the audit committee has:

- Ensured the re-appointment as external auditor of the company of a registered auditor who, in the opinion of the audit committee, is independent of the company.
- Determined the fees to be paid to the external auditor and such auditor's terms of engagement.
- Ensured that the appointment of the external auditor complies with this Act and any other legislation relating to the appointment of such auditor.

- Considered the independence of the external auditor and has concluded that the external auditor has been independent of the company throughout the year taking into account all other non-audit services performed and circumstances known to the committee.
- Confirmed that there were no complaints relating to the accounting practices of the company, the content or auditing of its financial statements, the internal financial controls of the company, or to any related matter.
- Based on reports from the external auditor, and appropriate inquiries, made submissions to the board on any matter concerning the company's accounting policies, financial control, records and reporting, including input to the board's statement regarding control effectiveness.

Legal requirements

The audit committee has complied with all applicable legal, regulatory and other responsibilities for the year under review.

Annual financial statements

Following our review of the annual financial statements of GIC Re South Africa Ltd for the year ended 31 March 2016, we are of the opinion that, in all material respects, they comply with the relevant provisions of the Companies Act and International Financial Reporting Standards, and that they fairly present the financial position at 31 March 2016 and the results of operations and cash flows for the year then ended.

S Bhikha

Chairman of the audit committee

24 June 2016

INDEPENDENT AUDITOR'S REPORT

To the shareholder of GIC Re South Africa Ltd

Report on the financial statements

We have audited the financial statements of GIC Re South Africa Ltd, which comprise the statement of financial position at 31 March 2016, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 205 to 238.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of GIC Re South Africa Ltd at 31 March 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2016, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Report on other legal and regulatory requirements

In terms of the IRBA rule published in Government Gazette 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of GIC Re South Africa Ltd for 2 years.

KPMG Inc.
Registered Auditor

Per Antoinette Malherbe
Chartered Accountant (SA)
Registered Auditor
Director
Friday, June 24, 2016

Private Bag 9
Parkview
2122

KPMG Crescent
85 Empire Road
Parktown
2193

GIC RE SOUTH AFRICA LTD

STATUTORY ACTUARY'S REPORT (LIFE BUSINESS)

AS AT 31 MARCH 2016

STATEMENT OF ASSETS, LIABILITIES, EXCESS ASSETS AND CAPITAL REQUIREMENTS

Particulars	Year ended 31 March 2016 R'000	15 months ended 31 March 2015 R'000
Published Reporting Basis		
Total value of life assets as per statement of financial position	42,607	39,565
Actuarial value of policy liabilities	17,898	15,091
Current and other liabilities as per the life statement of financial position	5,868	2,606
Total value of liabilities	23,766	17,697
Excess Assets	18,841	21,868
Statutory Basis		
Total value of assets as per life statement of financial position	42,607	39,565
Disallowed assets	(684)	(546)
Value of assets on the Statutory Basis	41,923	39,019
Actuarial value of life policy liabilities	17,898	15,091
Current and other liabilities as per life statement of financial position	5,868	2,606
Total value of liabilities	23,766	17,697
Excess Assets	18,157	21,321
Capital Adequacy Requirements	10,000	10,000
CAR Cover	182%	213%
Analysis of change in Excess Assets on Published Reporting Basis		
The excess of the value of assets over the value of liabilities has changed as follows over the reporting period:		
Excess Assets at end of reporting period	18,841	21,868
Excess Assets as at beginning of reporting period	21,868	18,587
Change in Excess Assets over the reporting period	(3,027)	3,281

GIC RE SOUTH AFRICA LTD

STATUTORY ACTUARY'S REPORT (LIFE BUSINESS)

AS AT 31 MARCH 2016

STATEMENT OF ASSETS, LIABILITIES, EXCESS ASSETS AND CAPITAL REQUIREMENTS

Particulars	Year ended 31 March 2016 R'000	15 months ended 31 March 2015 R'000
The change in the excess assets is due to the following factors:		
Investment return generated by excess assets over liabilities:		
Investment income	1,083	980
Capital appreciation	332	260
Total investment return on excess assets	1,415	1,240
Operating profit/(loss)	(2,161)	728
Changes in valuation methods or assumptions	(2,280)	1,313
Reported profit in annual financial statements	(3,026)	3,281
Total change in Excess Assets	(3,026)	3,281
Reconciliation of Excess Assets between Published Reporting Basis and Statutory Basis		
Excess Assets on Published Reporting Basis	18,841	21,868
Less: Asset Adjustments in terms of Schedule 3 of the Act	(684)	(546)
Excess Assets on Statutory Basis	18,157	21,322

GIC RE SOUTH AFRICA LTD

STATUTORY ACTUARY'S REPORT (LIFE BUSINESS)

AS AT 31 MARCH 2016

NOTES TO THE STATEMENT OF ASSETS, LIABILITIES, EXCESS ASSETS AND CAPITAL REQUIREMENTS

Changes in Published Reporting Valuation Methods or Assumptions

The value of net liabilities as at 31 March 2016 increased by R2.280 million as a result of changes to the valuation assumptions.

The main assumption changes were as follows (excluding compulsory margins):

- The expense inflation assumption for business valued on a discounted cashflow basis was increased from 5.69% p.a. to 6.97% p.a. due to changes in the inflation curve;
- The interest rate assumption for business valued on a discounted cashflow basis was increased from 7.25% p.a. to 8.75 % p.a.
- The assumed operating ratio increased due to poor claims experience resulting in the need for a deficiency/contingency reserve.

Published Reporting Valuation Methods and Assumptions

The valuation was performed using the Statutory Valuation Method for insurance contracts. Assets and policy liabilities have been valued on methods and assumptions that are consistent with each other.

The result of the valuation methods and assumptions is that profits are released appropriately over the term of each policy, to avoid premature recognition of profits that may give rise to losses in later years.

Published Reporting Liability Valuation Methods and Assumptions

In the calculation of liabilities, provision has been made for:

- The best-estimate of the future experience, plus
- The compulsory margins prescribed by SAP104, plus

- Discretionary margins to ensure the release of profits consistent with policy design and to allow for any additional uncertainty.

The effect of the discretionary margins amounts to R0.451 million. This is the result of the elimination of negative reserves on certain classes of business as well as the inclusion of a 7.5% margin on the UPR.

The reserves for term, PHI and Waiver of Premium classes were established by discounting the future expected net claims and net expense and commission outgo, less the future net office premiums (if any) on a policy-by-policy basis. The main assumptions (inclusive of compulsory margins as outlined in SAP104) were:

For the Term Business	:	
Investment return	:	8.50% p.a.
Renewal expenses	:	30% of net premiums
Mortality	:	134.4% of SA85/90 plus 5.4% Doyle Pattern II
Lapse rate	:	7.5% in all years
Commission	:	24% of net premiums

For the WOP and PHI Business:

Investment return	:	8.50% p.a.
Renewal expenses	:	R275 per policy p.a.
Expense inflation	:	7.66% p.a.
Mortality	:	138.7% of SA85/90
Inception Rate	:	105% of CMIR12 (deferred 14 weeks)
Benefit Escalation	:	6% active; 9% claimants
Premium Escalation	:	Benefit escalation + 1%

For risk premium business an Unexpired Risk Reserve was established by multiplying the assumed operating ratio by the Unearned Premium Reserve (UPR).

An Incurred But Not Reported (IBNR) reserve of 1.59 months claims was established for risk premium business while an IBNR of 8 months premium was established for PHI business.

The Profit Commission reserve is the sum of all outstanding payments to be made to cedants plus interest owing on these amounts.

Where credible experience data existed, the parameters were based on experience investigations undertaken during the financial year.

Policyholder reasonable benefit expectations have been allowed for. All contractual obligations have been taken into account. All business is written on a non-profit basis.

Published Reporting Asset Valuation Methods and Assumptions

All assets (including the excess of assets over liabilities) have been valued as described in the notes to the company accounts.

Statutory Capital Adequacy Requirements

The Statutory Capital Adequacy Requirement (CAR) is the additional amount required, over and above the actuarial liabilities, to enable the company to meet material deviations in the main parameters affecting the life assurer's business.

The Statutory CAR was calculated in accordance with SAP104 issued by the Actuarial Society of South Africa.

For the purpose of grossing up the Immediate Ordinary Capital Adequacy Requirements (IOCAR) to determine the Ordinary Capital Adequacy Requirements (OCAR), it has been assumed that assets backing the CAR are invested in cash.

The OCAR exceeded the Terminal Capital Adequacy Requirements (TCAR), and thus the CAR has been based on the OCAR.

In terms of the Board Notice of 2010, a minimum Capital Adequacy Requirement (MCAR) applies. The MCAR for the Company is R10 million which exceeds the OCAR described above, and thus the CAR has been based on the MCAR.

Certificate of Financial Position

I hereby certify that:

- The valuation on the Statutory Basis of GIC Re South Africa Ltd as at 31 March 2016, the results of which are summarised above, has been conducted in accordance with, and this Statutory Actuary's Report has been produced in accordance with, applicable Actuarial Society of South Africa's Advisory Practice Notes and Standard of Actuarial Practice;
- In terms of Section 31(c) of the Long-Term Act of 1998, some of the Company's assets exceed the maximum allowable level. However, after adjusting the assets for the asset spreading restrictions, the Company is still in a financially sound position.
- The Company was financially sound on the Statutory basis as at the valuation date, and in my opinion is likely to remain financially sound for the foreseeable future.

PC Falconer
Statutory Actuary
23-Jun-16

GIC RE SOUTH AFRICA LTD DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors have pleasure in presenting their report for the year ended 31 March 2016.

Business

GIC Re South Africa Ltd is a 100% owned subsidiary of General Insurance Corporation of India (GIC Re), which is fully owned by the Government of India. GIC Re acquired saXum Reinsurance Limited, a composite (Life and Non-Life) reinsurer in April 2014. The Company name was changed from saXum Reinsurance Limited to GIC Re South Africa Ltd after the approval from the Financial Services Board and the Companies and Intellectual Property Commission.

GIC Re South Africa Ltd holds a composite licence, but to date only short-term reinsurance has been activated. Life Reinsurance is expected to be activated in 2017.

GIC Re South Africa Ltd's vision is to become a truly African Reinsurer. The core business philosophy includes reinsurance capacity development in Sub-Saharan Africa, application of state of the art technology, mutually beneficial relationships, benchmarking reinsurance and service delivery mechanisms and professional attitude.

The company was rated BB+ (Global) and zaA+ (National) with a stable outlook by S&P ratings in July 2015.

GIC Re South Africa Ltd's operation in Johannesburg commenced underwriting business on 1 January 2015. For the year ended 31 March 2016, the company recorded a growth of 113%* in GWP as accounted.

South Africa Economic Outlook:

Global economic growth prospects continued to experience significant challenges. China's slowing growth, declining global commodity prices and the strengthening of the US dollar against emerging market currencies are threatening the growth prospects of economies like South Africa.

The International Monetary Fund (IMF) noted that sub-Saharan Africa's growth has also started to weaken after over a decade of solid numbers. Declining global commodity prices have already had significant negative impacts on economies such as Nigeria, Angola and Namibia. Nevertheless, the IMF is still predicting a combined growth rate of around 4.5% for sub-Saharan Africa in 2016.

The South African economy continued its decline in 2015 as a result of factors ranging from rising interest rates, severe drought in most parts of the country that started impacting food prices, subdued growth in equity markets and continuing pressure on disposable household incomes. Furthermore, the deterioration of the Rand, particularly in December 2015; continuing energy constraints and costs, and the possibility of further downgrades to the country's sovereign ratings are negatively impacting investor confidence in South Africa.

Share capital

The company issued no shares during the year (2015: 55 750 000 ordinary shares of no par value totalling R111.5 million).

Overview for the year

The results for the year and the financial position of the company are fully disclosed in the attached financial statements.

Holding company

The company is a wholly owned subsidiary of General Insurance Corporation of India (GIC Re).

Dividends

No dividends were paid or declared during the year (2015 : the subsidiaries were declared as a dividend in specie at their carrying value, on the dividend declaration date of 24 April 2014 for R42 021 633).

*This growth is because of Non-life business only being operational for 3 months in the last financial year.

Change in the Financial Year

The company changed its financial year end from 31 December to 31 March during 2015. The change in the year end was to align the year end of the company with that of its parent.

Directors

The directors in office at the date of this report are :	Date Appointed	Date Resigned
A G Vaidyan (Chairman, non-executive)	23-Jan-16	
B N Narasimhan (non-executive)	4-Feb-16	
D Prasad (Managing Executive)	22-Feb-16	
AK Roy (Chairman, non-executive)	24-Apr-14	31-Jul-15
N Mohan (non-executive)	24-Apr-14	31-May-15
YR Sunkara (Managing Executive)	24-Apr-14	19-Feb-16
S Kumar (Chairman, non-executive)	31-Jul-15	22-Jan-16
B Balachandra (non-executive)	13-Jul-15	4-Feb-16
S Bhikha (Independent, non-executive)	24-Apr-14	

The directors in office at the date of this report are :	Date Appointed	Date Resigned
C Moosa (Independent, non-executive)	24-Apr-14	
J Bagg (Lead Independent, non-executive)	24-Apr-14	

Directors' interest

No directors have an interest in the company.

Secretary and registered office

I Blaikie is the company secretary. The registered office and office of the secretary are:

15 Eton Road
Parktown
2193

Auditor

KPMG Inc.

Company registration number

1956/003037/06

Number of employees

The number of people employed by the company at 31 March 2016 is 14 (2015: 11).

GIC RE SOUTH AFRICA LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

Particulars	Note	Year ended 31 March 2016 R	15 months ended 31 March 2015 R
ASSETS			
Equipment	5	1,524,957	1,585,004
Technical assets under insurance contracts		417,919,918	124,653,562
Retroceded outstanding claims	6	202,901,429	26,207,193
Retroceded policyholder liabilities	7	5,832,763	5,265,076
Retroceded unearned premium reserve	8	165,324,413	78,852,140
Gross deferred acquisition costs	9	43,861,313	14,329,153
Investments	10	292,403,805	73,724,899
Deferred taxation	11	5,971,195	5,971,195
Amounts due from companies on reinsurance contracts		200,469,156	112,092,397
Other accounts receivable		302,174	2,023,041
Cash at bank and on hand		37,541,978	33,283,828
Total assets		956,133,183	353,333,926
LIABILITIES AND SHAREHOLDER'S EQUITY			
Technical liabilities under insurance contracts		491,441,445	167,626,647
Gross outstanding claims	6	237,563,814	42,817,278
Gross policyholder liabilities under life insurance contracts	7	23,730,776	20,356,542
Gross unearned premium reserve	8	183,409,426	87,613,488
Retroceded deferred acquisition cost	9	46,737,429	16,839,339
Deposits withheld from retrocessionaires		375,711,021	80,392,245
Amounts due to companies on reinsurance contracts		8,461,983	17,674,446
Other accounts payable	12	534,431	1,000,126
Total liabilities		876,148,880	266,693,464
SHAREHOLDER'S EQUITY			
Share capital	13	111,500,000	111,500,000
Revaluation reserve	14	1,664,865	1,392,622
Retained earnings		(33,180,562)	(26,252,160)
Total shareholder's equity		79,984,303	86,640,462
Total liabilities and shareholder's equity		956,133,183	353,333,926

GIC RE SOUTH AFRICA LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

Particulars	Note	Year ended 31 March 2016 R	15 months ended 31 March 2015 R
Gross premiums written		331,818,342	155,877,705
Retroceded premiums		(291,781,769)	(129,976,349)
Net premiums written		40,036,573	25,901,356
Change in provision for unearned premiums	8	(9,323,665)	(8,761,348)
Gross		(95,795,938)	(87,613,488)
Reinsured		86,472,273	78,852,140
Net premium earned		30,712,908	17,140,008
Commission income	17	61,933,115	11,848,833
Net investment income	15	8,087,125	4,739,502
(Increase)/decrease in net life policyholder liabilities	7	(2,806,547)	3,987,851
Net income		97,926,601	37,716,194
Claims incurred, net of reinsurance	16	(32,603,728)	(12,715,911)
Commission expense	17	(57,982,690)	(10,788,390)
Interest paid		(80,882)	(142,343)
Investment management expenses		(917,816)	(374,443)
Management expenses		(18,583,626)	(10,204,020)
Increase in provision for doubtful debts		(1,090,621)	-
Foreign exchange gain/(loss)		6,676,603	(194,239)
(Loss)/profit before taxation	18	(6,656,159)	3,296,848
Taxation	19	-	-
(Loss)/profit for the year		(6,656,159)	3,296,848
Other comprehensive income for the year, net of taxation		-	-
Total comprehensive (loss)/profit for the year		(6,656,159)	3,296,848

GIC RE SOUTH AFRICA LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

Particulars	Share capital R	Revaluation reserve R	Retained earnings R	Total R
31 March 2016				
Balance as at 1 April 2015	111,500,000	1,392,622	(26,252,160)	86,640,462
Share issue	-	-	-	-
Non-life	-	-	-	-
Total comprehensive profit for the period	-	-	(6,656,159)	(6,656,159)
Non-life	-	-	(3,630,115)	(3,630,115)
Life	-	-	(3,026,044)	(3,026,044)
Transfer to reserves				
Revaluation of investments	-	272,243	(272,243)	-
Balance as at 31 March 2016	111,500,000	1,664,865	(33,180,562)	79,984,303
31 March 2015				
Balance as at 1 January 2014	11,500,000	(9,103,613)	22,968,860	25,365,247
Share issue	100,000,000	-	-	100,000,000
Non-life	100,000,000	-	-	100,000,000
Total comprehensive profit for the year	-	-	3,296,848	3,296,848
Non-life	-	-	17,624	17,624
Life	-	-	3,279,224	3,279,224
Dividend in specie			(42,021,633)	(42,021,633)
Non-life	-	-	(42,021,633)	(42,021,633)
Transfer from reserves				
Revaluation of investments	-	10,496,235	(10,496,235)	-
Balance as at 31 March 2015	111,500,000	1,392,622	(26,252,160)	86,640,462

GIC RE SOUTH AFRICA LTD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

Particulars	Note	Year ended 31 March 2016 R	15 months ended 31 March 2015 R
Cash flows from operating activities			
Cash generated/(utilised) by operations	25.1	215,355,019	(21,246,110)
Interest received		7,717,401	6,487,627
Interest paid		(80,882)	(142,343)
Dividends received		60,649	74,518
Net cash inflow/(outflow) from operating activities		223,052,187	(14,826,308)
Cash flows from investing activities			
Net acquisition of investments		(218,369,831)	(65,765,772)
Additions to property and equipment		(424,206)	(1,805,721)
Proceeds on disposal of equipment		-	592,159
Net cash outflow from investing activities		(218,794,037)	(66,979,334)
Net increase/(decrease) in cash and cash equivalents		4,258,150	(81,805,642)
Cash flows from financing activities			
Shares issued		-	100,000,000
Cash and cash equivalents			
At the beginning of year		33,283,828	15,089,470
At the end of year	25.2	37,541,978	33,283,828

GIC RE SOUTH AFRICA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.1 Statement of compliance

The financial statements of the company are prepared on the going concern basis and in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa. The accounting policies set out below have been applied consistently to all years presented in the financial statements.

1.2 Basis of preparation

The company is domiciled in South Africa and its reporting currency is Rand. The company changed its financial year end from 31 December to 31 March last year to align with the year end of its parent company. The amounts presented as comparative figures are the fifteen months to 31 March 2015.

Basis of measurement

The financial statements are prepared on the historical cost basis, adjusted by the revaluation of investments to fair value.

Use of estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The most significant judgements,

estimates and assumptions relate to technical provisions and liabilities under insurance contracts detailed in note 4. In addition, assumptions are made about the recoverability of insurance receivables and credit control is strictly monitored.

1.3 Classification of contracts

Contracts under which the company accepts significant insurance risk from another party (the policyholder) through reinsurance inwards by agreeing to compensate the policyholder or other beneficiary if a specific uncertain future event (the insured event) adversely affects the policyholder or other beneficiary are classified as insurance contracts. The same definition is applied to reinsurance outwards. Insurance risk is risk other than financial risk. Financial risk is the risk of a possible future change in one or more of a specific interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Contracts that do not meet the above definition are classified as investment contracts and are deposit accounted.

1.4 Equipment

Equipment, furniture and motor vehicles are stated at cost less accumulated depreciation which is calculated to write off the cost of the assets to its residual value over their useful lives in a pattern that reflects their economic benefits.

The current estimated useful lives are as follows:

- Equipment

Office Equipment	6 years
Computer equipment	3 years
- Furniture and fittings 6 years
- Motor vehicles 5 years

The useful lives and depreciation methods are reassessed annually. The residual values, if not insignificant, are also reassessed annually. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets and are included in profit or loss.

1.5 Outstanding and unintimated claims

Provisions are made for claims incurred up to the reporting date. The provisions exclude Value Added Tax but include an estimate for future claims handling costs.

1.6 Policyholder liabilities for life insurance contracts

The liabilities under life insurance contracts are valued in terms of the Financial Soundness Valuation ("FSV") basis contained in SAP104 issued by the Actuarial Society of South Africa and are reflected as policyholder liabilities under life insurance contracts in the statement of financial position. The operating surpluses or losses arising from insurance contracts are determined by the annual actuarial valuation. These surpluses or losses are arrived at after taking into account the movement in actuarial liabilities under unexpired policies, provisions for profit commissions accrued and adjustments to contingency and other reserves within the policyholder liabilities as well as recoveries under retrocession agreements.

1.7 Deposits

Deposits retained on retrocession placed are stated at amortised cost.

1.8 Revaluation reserve

The company has chosen to disaggregate equity into more classes than the minimum required by creating a revaluation reserve as an additional class within equity. This is to present unrealised gains and losses on investments separately from other

profits or losses and is shown separately on the statement of financial position.

The revaluation reserve comprises of the revaluation of investments above or below their original cost, after deferred tax is recognised on the revaluation. A gain or loss arising from a change in fair value is recognised in net profit or loss for the period in which it arises and thereafter is transferred to a revaluation reserve. When investments are disposed of, the cumulative gain or loss previously recognised in the revaluation reserve is transferred to retained income.

1.9 Premiums

Premium income on insurance contracts is brought to account at the earlier of the date of notification or the date of receipt. At year end, an estimate is raised for premiums where notification has not been timeously received.

1.10 Unearned premium provision

The provision for unearned premium comprises the portion of premiums written which are estimated to be earned in future periods. The unearned premium provision is calculated separately for each contract at the balance sheet date using principally the 50% method basis for proportional treaty business and the 365 days basis for facultative business and non-proportional business.

1.11 Commission expense

Acquisition costs comprise commission and other variable costs directly connected with the acquisition or renewal of insurance policies. Commission expenses are charged to profit or loss as incurred and include commission, brokerage, taxes, and profit commission which is paid to cedants based on the performance of the contracts underwritten.

1.12 Investment income

Interest income is recognised as it accrues, using the effective interest method. Dividends are recognised when the right of receipt is established.

1.13 Gain or loss on realisation of investments

Gains or losses on realisation of investments are calculated on a weighted average basis.

1.14 Income tax

Income tax on profit and loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity, or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.15 Provisions

A provision is recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

1.16 Impairment

The carrying amounts of the company's assets are reviewed at each reporting date to determine

whether there is any indication of impairment. If there is any indication that an asset is impaired, its recoverable amount is estimated. The recoverable amount is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount. In assessing the value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of amortisation) had an impairment loss not been recognised in prior years.

1.17 Financial instruments

Financial assets are recognised when the company becomes a party to the contractual terms that comprise an asset. On initial recognition these instruments are recognised at fair value or for financial instruments not carried at fair value, the cost thereof, including transaction costs. Subsequent to initial recognition, these instruments are measured as set out below:

Investments

Investments are classified at fair value through profit or loss. The investments are managed and their performance evaluated and reported internally on a fair value basis in terms of a documented investment strategy. The fair value of listed investments is measured with reference to their quoted bid prices at the reporting date.

Trade and other receivables

Trade and other receivables are stated at amortised cost using the effective interest rate method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Cash and cash equivalents are stated at amortised cost.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisations.

Derecognition

A financial asset is derecognised when the company loses control over the contractual rights that comprise an asset and consequently transfers the risks and benefits associated with the asset on trade date. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is legally extinguished.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.18 Foreign currencies

Assets and liabilities in foreign currencies are translated to South African Rand at rates of exchange ruling at the reporting date.

Foreign currency transactions during the year are recorded at rates of exchange ruling at the transaction date. Realised and unrealised gains or losses on exchange are accounted for in profit and loss during the period that they arise.

1.19 Retrocession

The company retrocedes insurance risk in the normal course of business for the purpose of limiting its net loss potential through the

diversification of its risk. Retrocession arrangements do not relieve the company from its direct obligation to cedants. Amounts recoverable under retrocession contracts are recognised in the same year as the related claim. Amounts recoverable under retrocession agreements are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition that the company may not recover all amounts due.

Premiums retroceded, claims reimbursed and commission income are presented in the statement of comprehensive income and statement of financial position separately from the gross amounts. Deferred retrocession income is recognised on a basis consistent with the provision for earned premiums.

2 Reinsurance risk management

2.1 Non-life reinsurance contracts

2.1.1 Risk management objectives and policies for mitigating reinsurance risk

The company reactivated its underwriting non-life reinsurance business as of 1 January 2015 after having been in run off since 2002. The cover periods for all historical reinsurance contracts, which were annual in nature, had expired by the end of 2005. The company's exposure is therefore limited to the uncertainty surrounding the timing of payment and severity of claims already incurred under historical reinsurance contracts. This is commonly referred to as claims development risk.

Sound underwriting principles are applied when the reinsurance contracts are underwritten. In order to ensure that each contract was comprehensively evaluated for underwriting and rating purposes, strict underwriting guidelines, agreed to with the parent company, are followed. The underwriting guidelines stipulate the type of risks that could be underwritten, as well as the exposure per risk that was acceptable.

The reinsurance contracts underwritten by the company comprise:

- Property reinsurance: contracts that indemnify against physical loss or damage and the financial consequences from a loss or damage to land and buildings.
- Transport reinsurance: contracts that indemnify against losses from the possession, use or ownership of a vessel, aircraft or other craft for the conveyance of persons or goods.
- Accident reinsurance: contracts that indemnify against losses from a variety of risks. These include:
 - Motor
 - Personal accident and health
 - Guarantee
 - Liability
 - Engineering
 - Miscellaneous

The claims liabilities recognised for each of these classes at year end are disclosed in note 6.

The largest claims development uncertainty is concentrated in those classes that are classified as long tail, such as liability and engineering. Long tail business is defined as reinsurance contracts under which claims are typically not settled within one year of the occurrence of the events giving rise to the claims. In long tail classes, there is still significant scope for future development, positive or negative, both in number of claims, as well as the value of the claims. The claims development risk from reinsurance contracts is largely managed through the following actions:

- Having operationalised the subsidiary effective 1 January 2015 the goal has been to achieve geographical spread. The business has been well-diversified across the entire Sub-Saharan Africa and it has written premium from across

17 countries of the continent and is also class diversified. A significant portion of premium is written from South Africa and Kenya. Although hail storm exposures have been considered exceptional, the company has regarded concentration in Kenya as a primary concern. To mitigate the underwriting risk and protect the net account it has purchased a whole account quota share protection of 90% and 85% for 2015 and 2016 respectively which is in line with approval from the Financial Services Board. Based on an internal assessment, the company has calculated a worst case scenario in any one catastrophe and as a matter of precaution also procured an Excess of Loss protection for USD 4.75 million XS USD 250 000. This will protect the capital of the company in any catastrophic event. This Excess of Loss cover was effective from 1 April 2015.

- A portion of the historical risks underwritten by the company pertaining to the run-off book of business was historically retroceded in order to mitigate its net exposure. The retrocession contracts entered into comprise a combination of proportional and non-proportional treaties. These contracts were recaptured and, as such, the company has no protection for the run-off book of business.
- The company follows robust claims assessment procedures to ensure, that the liability it accepts for claims covered by reinsurance contracts is valid and accurate.

2.1.2 Concentrations of reinsurance risk

Concentrations of risk may arise with a particular event or series of events for example in one geographical location.

2.1.3 Claims development information

Consistent with practice in the reinsurance industry, quarterly statements received from reinsurers under proportional reinsurance

contracts, do not detail the date of loss of reinsurance claims. Proportional reinsurance contracts make up the largest part of the company's business. The majority of the business underwritten is classified as "short-tail" meaning that claims are settled within a year after the loss date. In terms of IFRS 4, an insurer need only disclose claims run-off information where uncertainty exists about the amount and timing of claim payments not resolved within one year.

Claims development is monitored in aggregate for all loss years. Note 6 provides details of the overall changes in estimates of claims liabilities created in earlier years.

2.2 Life reinsurance contracts

2.2.1 Risk management objectives and policies for mitigating reinsurance risk

The company ceased underwriting life reinsurance business during 2002, and entered into a run-off phase. The company remains on risk for life reinsurance contracts underwritten in the past that have cover periods that extend into the future. The company is exposed to the uncertainty surrounding the timing, severity and frequency of claims under reinsurance contracts.

Sound underwriting principles were applied historically when the reinsurance contracts were underwritten. In order to ensure that each contract was comprehensively evaluated for underwriting and rating purposes, strict underwriting guidelines, agreed to with the then parent company were followed. The underwriting guidelines stipulated the type of risks that could be underwritten, as well as the exposure per risk that was acceptable.

The significant types of reinsurance contracts underwritten in the past, where the company remains on risk are summarised below.

Term

- Policy is limited to a defined term. The sum assured is payable at death should this occur during the term.

Risk premium

- Sum assured is payable at death. Premiums received are based on current age, sum at risk and may be reviewed in some cases. Cover may be extended to include disability and dread disease.

Disability

- A benefit which is paid out if the assured is totally and permanently disabled from carrying out his/her occupation as defined in the policy conditions.

Permanent health insurance

- Compensates the assured for loss of income in case of temporary disability or total and permanent disability during the policy term.

The risk that arises from the reinsurance contracts underwritten in the past is largely managed through the following actions:

- The company has no further exposure to treaties that have been commuted.
- As from 1 January 2010 the life retrocession agreements with Revios Ruckversicherung AG (Scor Germany), which ended on 31 December 2009, was replaced with a single agreement with Scor Africa Limited (Scor Africa), whereby the company's net retention on any one risk is reduced to a maximum of R750,000, as compared to the previous R2,500,000. The agreement is for a quota share of 75% on all risks, previously 50%, with sums assured capped at R750,000.

Scor Africa carries the remaining 25% on quota share risk to R1,000,000, as well as the excess of loss treaty which provides for the remaining cover over R1,000,000. An over-rider commission of 10% on all retrocession premiums ceded to Scor Africa is payable to the company as an expense recovery together with a profit commission of 50% on Scor Africa's annual profits.

- The company follows robust claims assessment procedures to ensure that it pays valid and accurate claims. The company uses medical officers to assess claims, where appropriate.

2.2.2 Concentrations of reinsurance risk

Concentrations of risk may arise where a particular event or series of events impact heavily on the company's resources. The company is not aware of any undue concentrations of risk and its portfolio is generally representative of the risk profiles of the major life offices in South Africa.

2.2.3 Claims development

In terms of IFRS 4: Insurance Contracts, claims development information need only be presented where uncertainty exists about the amount and timing of claims payments not resolved within one year following the date of the loss. The company has been in run-off for approximately 14 years. The number of new claims reported is limited and as a result run-off information is erratic. Claims development information is therefore not presented. Refer to note 6 for the estimates maturity profile.

3 Financial risk

Transactions in financial instruments result in the company assuming financial risks. These include market risk, liquidity risk and credit risk. Each of these risks is described below, together with ways in which the company manages these risks.

3.1 Market risk

Market risk can be described as the risk of a change in the fair value of a financial instrument brought about by changes in interest rates, equity prices, or foreign exchange rates.

- Equity price risk

The portfolio of listed equities, which are stated at fair value at reporting date, has exposure to price risk, being the potential loss in market

value resulting from adverse changes in prices. The company's objective is to earn competitive relative returns by investing in a diverse portfolio of securities. Portfolio characteristics are analysed on a regular basis. The portfolio is invested in various industries as detailed in note 10, and the largest investment in any one company comprises 0.14% (2015: 0.09%) of the total assets.

At 31 March 2016, the company's ordinary listed equities were recorded at their fair value of R4.01 million (2015: R1.76 million). A hypothetical 25% decline in each share's price would have decreased profit before taxation by R1.0 million (2015: R0.4 million).

- Interest rate risk

Fluctuations in interest rates impact on the value of government securities and corporate bonds and the interest returns from these investments. The maturity profile of these instruments is set out in note 10. It is estimated that a 2% increase in interest rates for these investments would have increased the company's 2016 profit before taxation by less than R150,000 (2015: R50,000).

- Foreign currency risk

The company is exposed to foreign currency risk for transactions that are denominated in a currency other than Rand. The company is writing business in sub-Saharan African countries. In more than 80% of the contracts, the transacting currency is US dollar. Initially the company's focus is to build foreign currency reserves and match dollar liabilities with dollar assets.

3.2 Liquidity risk

The company ensures that the solvency of the company meets the regulatory requirements at all times by maintaining a high level of liquidity.

The company follows the regulatory provisions, in conjunction with prudential norms laid out by the

Board, with regard to the investment of its funds. The general investment strategy is to use cash as the default asset class. In the initial years of operations equity exposure will be maintained at lower levels.

Expected cashflows of liabilities:

	Carrying amount	1 year	2 years	More than 2 years
Deposits withheld from retrocessionaires	375,711,021	375,711,021	-	-
Amounts due to companies on reinsurance contracts	8,461,983	8,461,983	-	-
Other accounts payable	534,431	534,431	-	-

Maturity of Technical liabilities under insurance contracts have been included in Note 6 - 9.

The company is accumulating foreign currency reserves and not intending to convert foreign currency funds into Rand during the next 2 years. All these funds are invested in short-term deposits in the form of fixed or call deposits.

For Rand funds, the fund managers are instructed to keep funds invested in such a way as to offer maximum flexibility and high liquidity.

Over and above these liquidity measures, a letter of comfort given by the parent company provides support to the company in order to maintain adequate capital, to meet solvency and policy holder liability requirements and financial obligations.

3.3 Credit risk

The company has several exposures to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the company is exposed to credit risk are:

- amounts due from reinsurance policyholders;
- amounts due from reinsurance contract intermediaries;
- investments and cash equivalents; and
- retroceded technical liabilities.

Exposure to individual policyholders and groups of policyholders are monitored as part of the credit control process. Reputable financial institutions are used for investing and cash handling purposes.

Under the terms of the retrocession agreements, retrocessionaires agree to reimburse the ceded amount in the event that a gross claim is paid. However, the company remains liable to its cedants regardless of whether the retrocessionaire meets the obligations it has assumed. Consequently, the company is exposed to credit risk.

GIC Re South Africa Ltd reinsures with its parent, General Insurance Corporation of India (GIC Re) which has been continuously rated A- (Excellent) by AM Best for at least the last 5 years and AAA (In) for Claim Paying ability by the Indian rating agency, Credit Analysis & Research Ltd (CARE). The parent company is wholly owned by the Government of India with sovereign security. As per AM Best, GIC Re ranked 15th among the Top 50 Global reinsurance groups in terms of Gross Written Premium. As at 31 March 2015, it has a net worth of approximately USD 2 billion and total assets of USD 12.5 billion.

From Calendar year 2016, GIC Re South Africa Ltd arranged a 85% whole account quota share treaty whereby 85% of the claims incurred are recovered from GIC Re India. In addition to this GIC Re South Africa Ltd continues to withhold 40% of the premium as an unearned premium reserve deposit and retain 100% of the outstanding claims reserve as an outstanding claims reserve deposit.

None of the company's financial assets exposed to credit risk are past due or impaired.

Age analysis of amounts due from companies on reinsurance contracts

	Total	Current	30 days	60 days	90 days	More than 120 days
Amounts due	200,469,156	156,986,584	2,561,272	2,089,090	16,389,148	22,443,062

Analysis of the credit quality of the company's assets

	AAA R	AA R	A R	BBB and lower R	Rated R	Not Total R
2016						
Technical assets under insurance contracts	-	-	374,058,606	-	43,861,313	417,919,918
Investments						
Government securities	-	-	-	6,779,132	-	6,779,132
Negotiable Certificate of Deposit	-	-	-	25,810,763	-	25,810,763
Fixed Deposits	-	-	-	206,610,408	-	206,610,408
Accounts receivable	3,672,300	2,555,538	63,200,612	58,498,035	72,844,845	200,771,330
Cash and cash equivalents		-	-	37,541,978	-	37,541,978
	3,672,300	2,555,538	437,259,217	335,240,316	116,706,158	895,433,529
2015						
Technical assets under insurance contracts	-	-	110,324,409	-	14,329,153	124,653,562
Investments						
Government securities	-	-	-	2,077,031	-	2,077,031
Negotiable Certificate of Deposit				8,169,528		8,169,528
Fixed Deposits				-		-
Accounts receivable	5,659,463	19,134,719	26,080,616	23,115,903	40,124,737	114,115,438
Cash and cash equivalents	-	-	-	33,283,828	-	33,283,828
	5,659,463	19,134,719	136,405,025	66,646,290	54,453,890	282,299,387

The company's maximum exposure to credit risk is analysed in the table above.

The assets as above are based on external credit ratings obtained from various reputable rating agencies like Fitch and Standard and Poor's. The international rating scales are based on long-term investment horizons under the following broad investment grade definitions:

- AAA** The financial instrument is judged to be of the highest quality, with minimal credit risk and indicates the best quality issuers that are reliable and stable.
- AA** The financial instrument is judged to be of high quality and is subject to very low credit risk and indicates quality issuers.
- A** The financial instrument is considered upper-medium grade and is subject to very low credit risk although certain economic situations can more readily affect the issuers' financial soundness adversely than those rated AAA or AA.
- BBB** The financial instrument is subject to moderate credit risk and indicate medium class issuers, which are currently satisfactory.

*Amount receivable is net of provision for doubtful debts of R1.09 million

Fair value hierarchy

The table below analyses assets carried at fair value, by valuation method. The different levels have been defined as follows:

	Level 1	Level 2	Level 3	Total
2016				
Financial assets designated at fair value through profit or loss	15,176,307	44,806,327	-	59,982,634
	15,176,307	44,806,327	-	59,982,634
	Level 1	Level 2	Level 3	Total
2015				
Financial assets designated at fair value through profit or loss	7,958,238	57,597,132	-	65,555,370
	7,958,238	57,597,132	-	65,555,370

The unit trust is valued with the unitisation pricing methodology based on quoted market prices.

Level 1

Quoted market price in an active market for an identical instrument.

Level 2

Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly observable from market data.

Level 3

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Collective Investment schemes are valued based on its unit price or the net asset value (NAV), depending on the market value of the underlying investments in which the pool of money is invested. Its yield is calculated by taking the interest and income receivable of all the instruments in the fund divided by the net asset value, expressed as a nominal annual rate.

Capital management

The company recognises equity and reserves as capital and Management closely monitors the company's capital position relative to the economic and regulatory requirements. The company submits quarterly and annual returns to the Financial Services Board in terms of the Short-term Insurance Act, 1998 and the Long - term Insurance Act, 1998. The company is required to at all times to maintain a minimum capital adequacy requirement as defined in the Short-term Insurance Act and the Long-term Insurance Act.

Under the new regulatory regime, Solvency Assessment and Management (SAM), the legislative requirements will change significantly. The company with the assistance of its consulting actuary, has addressed the capital needs under the new regime and have complied with the transitional reporting requirements as communicated by the Regulator.

4 Technical provisions and liabilities under insurance contracts

Insurance risks are unpredictable and the company recognises that it is impossible to forecast with absolute precision claims payable under insurance contracts. Over time, the company has developed a methodology that is aimed at establishing insurance provisions and liabilities that have a reasonable likelihood of being adequate to settle all its insurance obligations.

4.1 Non-life reinsurance contracts

4.1.1 Claim provisions

The outstanding claims provisions include notified claims as well as incurred but not yet reported claims. Outstanding claims provisions are not discounted.

Notified claims

Claims notified by cedants are assessed with due regard to the specific circumstances, information available from the cedant and/or loss adjuster and past experience with similar claims. The company employs staff experienced in claims handling and rigorously applies standardised policies and procedures around claims assessment.

The ultimate cost of the reported claims may vary as a result of future developments or better information becoming available about current circumstances. Estimates are therefore reviewed regularly and followed up with the cedant to ensure that it is still current.

Incurred but not reported claims (IBNR)

IBNR provisions were recognised in terms of the interim measures communicated by the Financial Services Board (FSB). These are deemed appropriate based on the reporting delays experienced by the company.

4.1.2 Premium provisions and deferred commission

Unearned premium provisions and deferred commission assets have been recognised. Proportional treaties are provided for at 50%, Non-Proportional treaties at 75% and for Facultative the 1/365th basis is used.

4.1.3 Assumptions

As a reinsurer it is necessary to estimate proportional premiums earned, but not yet reported by cedants (pipeline premiums estimates). These have been estimated with reference to the estimated premium income (EPI) from the signed treaty agreements.

Assumptions based on actual claims experience to date have been used in determining the claim provisions.

Profit commissions are payable to cedants based on the performance of the contracts underwritten and are estimated with reference to premiums and claims recorded in the financial statements.

4.1.4 Recoverability of Insurance Receivables

Amounts due from cedants have been assessed for an indication of impairment due to significant financial difficulty, a breach of contract or other observable data indicating a measurable decrease in the future cash recoverable. This may include adverse changes in the payment status of cedants or economic conditions that may lead to default of amounts due.

The carrying amount of insurance receivables has been reduced by a provision for doubtful debts and the amount of the loss has been recognised in the statement of comprehensive income. If in future the amount becomes recoverable the previously recognised provisions for doubtful debts will be reversed through the statement of comprehensive income.

4.2 Life reinsurance contracts

4.2.1 Outstanding claims

Notified claims

Claims notified by cedants are assessed with due regard to the specific circumstances, information available from the cedant and/or loss adjuster and past experience with similar claims. The company employs staff experienced in claims handling and rigorously applies standardised policies and procedures around claims assessment.

The ultimate cost of the reported claims may vary as a result of future developments or better information becoming available about current circumstances. Estimates are therefore reviewed regularly and followed up with the cedant to ensure that it is still current.

4.2.2 Policyholder liabilities

The basis adopted in calculating the policyholder liabilities is set out in the notes to the statement of actuarial values of life assets and liabilities that precede the financial statements. The statement also details the effect of the changes in assumptions from 2015.

4.2.3 Sensitivities in assumptions

The table below demonstrates the impact on the loss before tax for a hypothetical worse than expected experience in material assumptions for policyholder liabilities, net of reinsurance.

	2016 R	2015 R
10% worse than expected claims experience	(2,883,000)	(1,680,000)
10% higher expenses	(601,000)	(573,000)
1% lower investment margins	(525,000)	(573,000)
2.5% decrease in lapses	(1,000)	(455,500)

Each scenario was considered in isolation.

5 Equipment

	R	R
Particulars	31 March 2016	31 March 2015
At cost		
Equipment	2,244,397	1,849,795
Furniture	911,530	881,926
Motor vehicles	894,325	894,325
	4,050,252	3,626,046
Accumulated depreciation		
Equipment	1,592,357	1,346,429
Furniture	646,495	587,035
Motor vehicles	286,443	107,578
	2,525,295	2,041,042
Net book value		
Equipment	652,040	503,366
Furniture	265,035	294,891
Motor vehicles	607,882	786,747
	1,524,957	1,585,004
Equipment		
Net book value at beginning of year	503,366	37,764
Additions	394,602	561,329
Depreciation	(245,928)	(95,727)
Net book value at end of year	652,040	503,366
Furniture		
Net book value at beginning of year	294,891	8,316
Additions	29,604	328,137
Depreciation	(59,460)	(41,562)
Net book value at end of year	265,035	294,891
Motor vehicles		
Net book value at beginning of year	786,747	693,469
Additions	-	916,255
Disposals	-	(592,159)
Depreciation	(178,865)	(230,818)
Net book value at end of year	607,882	786,747
Total		
Net book value at beginning of year	1,585,004	739,549
Additions	424,206	1,805,721
Disposals	-	(592,159)
Depreciation	(484,253)	(368,107)
Net book value at end of year	1,524,957	1,585,004

6 Provision for outstanding claims

	31 March 2016			31 March 2015		
	Non-Life R	Life R	Total R	Non-Life R	Life R	Total R
Balance at beginning of the period	15,324,490	1,285,595	16,610,085	12,751,665	1,877,672	14,629,337
Gross	41,103,151	1,714,127	42,817,278	12,751,665	4,069,897	16,821,562
Retroceded	(25,778,661)	(428,532)	(26,207,193)	-	(2,192,225)	(2,192,225)
Amounts transferred (to)/from profit or loss	17,479,202	573,098	18,052,300	2,572,825	(592,077)	1,980,748
Gross	193,260,167	1,486,369	194,746,536	28,351,486	(2,355,770)	25,995,716
Retroceded	(175,780,965)	(913,271)	(176,694,236)	(25,778,661)	1,763,693	(24,014,968)
Balance at end of the period	32,803,692	1,858,693	34,662,385	15,324,490	1,285,595	16,610,085
Gross	234,363,318	3,200,496	237,563,814	41,103,151	1,714,127	42,817,278
Retroceded	(201,559,626)	(1,341,803)	(202,901,429)	(25,778,661)	(428,532)	(26,207,193)
Property	15,696,461			3,091,101		
Miscellaneous	15,631,166			11,041,972		
Transport	1,476,065			1,191,417		
	32,803,692			15,324,490		
Estimated maturity profile:						
Gross	234,363,318	3,200,496	237,563,814	41,103,151	1,714,127	42,817,278
Within one year	180,196,491	2,991,407	183,187,898	28,893,710	1,714,127	30,607,837
Thereafter	54,166,827	209,089	54,375,916	12,209,441	-	12,209,441
Retroceded	(201,559,626)	(1,341,803)	(202,901,430)	(25,778,661)	(428,532)	(26,207,193)
Within one year	(161,247,701)	(1,289,530)	(162,537,231)	(20,622,929)	(428,532)	(21,051,461)
Thereafter	(40,311,925)	(52,273)	(40,364,198)	(5,155,732)	-	(5,155,732)
Net	32,803,692	1,858,693	34,662,384	15,324,490	1,285,595	16,610,085
Within one year	18,948,790	1,701,877	20,650,667	8,270,781	1,285,595	9,556,376
Thereafter	13,854,902	156,816	14,011,718	7,053,709	-	7,053,709

7 Policyholder liabilities for life insurance contracts

Particulars	31 March 2016 R	31 March 2015 R
Balance at beginning of year	15,091,466	19,079,317
Gross	20,356,542	25,338,348
Retroceded	(5,265,076)	(6,259,031)
Amounts transferred (to)/from profit and loss	(2,806,547)	(3,987,851)
Gross	(3,374,234)	(4,981,806)
Retroceded	567,687	993,955
Balance at end of year	17,898,013	15,091,466
Gross	23,730,776	20,356,542
Retroceded	(5,832,763)	(5,265,076)
Estimated maturity profile:		
Gross	23,730,776	20,356,542
Within one year	14,978,958	12,005,391
Thereafter	8,751,818	8,351,151
Retroceded	(5,832,763)	(5,265,076)
Within one year	(3,883,334)	(3,168,889)
Thereafter	(1,949,429)	(2,096,187)
Net	17,898,013	15,091,466
Within one year	11,095,624	8,836,502
Thereafter	6,802,389	6,254,964

8 Unearned premium reserve

Particulars	31 March 2016 R	31 March 2015 R
Balance at beginning of year	8,761,348	-
Gross	87,613,488	-
Reinsured	(78,852,140)	-
Amounts transferred through profit and loss	9,323,665	8,761,348
Gross	95,795,938	87,613,488
Reinsured	(86,472,273)	(78,852,140)
Balance at end of year	18,085,013	8,761,348
Gross	183,409,426	87,613,488
Reinsured	(165,324,413)	(78,852,140)

9 Deferred acquisition costs

Particulars	31 March 2016 R	31 March 2015 R
Balance at beginning of year	(2,510,186)	-
Gross	14,329,153	-
Reinsured	(16,839,339)	-
Amounts transferred through profit and loss	(365,930)	(2,510,186)
Gross	29,532,160	14,329,153
Reinsured	(29,898,090)	(16,839,339)
Balance at end of year	(2,876,116)	(2,510,186)
Gross	43,861,313	14,329,153
Reinsured	(46,737,429)	(16,839,339)

Reinsurance contracts incepted during the current financial period upon reactivation of the non-life reinsurance license. Both the gross and retroceded unearned premium provisions are expected to mature within one year.

Deferred acquisition costs have been recognised on the same bases as the unearned premium reserve.

10 Investments

Particulars	31 March 2016		31 March 2015	
	R Cost	R Carrying Value	R Cost	R Carrying Value
Negotiable certificates of deposits	25,220,000	25,810,763	8,000,000	8,169,528
Fixed Deposits	205,574,264	206,610,408	-	-
Ordinary shares - listed	3,964,183	4,013,260	1,837,534	1,760,270
Collective investment schemes - listed	44,550,004	44,806,327	57,288,000	57,597,132
Government bonds - listed	6,812,381	6,779,132	2,104,126	2,077,031
Unit Trust - listed	1,937,437	4,383,915	2,066,366	4,120,937
Total investments at fair value through profit or loss	288,058,269	292,403,805	71,296,026	73,724,898

Listed ordinary shares portfolio analysis

	%	%
Basic Materials	18	40
Consumer Services	5	13
Financials	60	16
Industrials	17	31
	100	100

Maturity profile of fixed interest securities

	Less than one year R	One to five years R	More than five years R	Total R
2016				
Negotiable certificates of deposits	25,810,763	-	-	25,810,763
Fixed Deposits	206,610,408	-	-	206,610,408
Government bonds	-	4,532,003	2,247,129	6,779,132
2015				
Negotiable certificates of deposits	8,169,528	-	-	8,169,528
Government bonds	2,077,031	-	-	2,077,031

The weighted average interest rate of these securities for 2016 is 2.61% (2015: 13.8%).

Details of shareholdings held in companies other than subsidiaries are recorded in a register. This register is available for inspection at the company's business premises.

Presented below are the effective interest rates of the company's interest bearing investments:

	31 March 2016	31 March 2015
Negotiable certificates of deposits	7.54%	7.44%
Fixed Deposits*	1.78%	-
Government Bonds	9.00%	13.50%

* Interest rate for fixed deposits is low as 96% of the fixed deposits are held in foreign currencies.

11 Deferred taxation

	Non-Life R	Life R	Total R
31 March 2016			
Asset at beginning and end of year	5,425,210	545,985	5,971,195
The year-end deferred tax balance comprises:			
Unrealised loss on revaluation of investments	-	441,063	441,063
Provisions	105,957	-	105,957
S24 j interest adjustment	(38,958)	(45,547)	(84,505)
Calculated loss	5,358,211	150,469	5,508,680
	5,425,210	545,985	5,971,195
31 March 2015			
Asset at beginning and end of year	5,425,210	545,985	5,971,195
The year-end deferred tax balance comprised:			
Unrealised gain on revaluation of investments	-	347,342	347,342
Provisions	12,254	-	12,254
S24 j interest adjustment	(7,538)	(14,808)	(22,346)
Calculated loss	5,420,494	213,451	5,633,945
	5,425,210	545,985	5,971,195

12 Other accounts payable

Particulars	31 March 2016 R	31 March 2015 R
Accrual for leave pay	378,419	43,765
VAT	-	859,087
Other	156,012	97,274
	534,431	1,000,126

13 Share capital

Particulars	31 March 2016 R	31 March 2015 R
Authorised		
300 000 000 ordinary shares of no par value		
Issued		
55 750 000 ordinary shares of no par value	111,500,000	111,500,000
	111,500,000	111,500,000

The unissued shares are under the control of the directors.

14 Revaluation reserve

Particulars	31 March 2016 R	31 March 2015 R
Investments	1,664,865	1,392,622
	1,664,865	1,392,622

The revaluation reserve represents the revaluation of investments which is net of deferred tax.

15 Net investment income

	Non-Life R	Life R	Total R
31 March 2016			
Dividends received - listed	21,916	38,733	60,649
Interest received	5,332,933	2,384,468	7,717,401
Realised gain/(loss) on disposal of investments	(154,074)	85,033	(69,041)
Net movement in unrealised gains and losses on revaluation and disposal of investments	(184,094)	562,210	378,116
	5,016,681	3,070,444	8,087,125
31 March 2015			
Dividends received - listed	-	74,518	74,518
Interest received	5,038,534	1,449,093	6,487,627
Realised gain on disposal of investments	26,746	299,315	326,061
Net movement in unrealised gains and losses on revaluation and disposal of investments	(162,314)	140,057	(22,257)
Unrealised loss on revaluation of investment in subsidiaries	(2,126,447)	-	(2,126,447)
	2,776,519	1,962,983	4,739,502

16 Claims incurred

	Non-Life R	Life R	Total R
31 March 2016			
Claims paid	(4,628,842)	(9,922,586)	(14,551,428)
Gross	(53,733,177)	(20,189,681)	(73,922,858)
Retroceded	49,104,335	10,267,095	59,371,430
Change in provision for outstanding claims	(17,479,202)	(573,098)	(18,052,300)
Gross	(193,260,167)	(1,486,369)	(194,746,536)
Retroceded	175,780,965	913,271	176,694,236
Claims incurred	(22,108,044)	(10,495,684)	(32,603,728)

	Non-Life R	Life R	Total R
31 March 2015			
Claims paid	(491,608)	(10,243,555)	(10,735,163)
Gross	2,638,941	(15,728,588)	(13,089,647)
Retroceded	(3,130,549)	5,485,033	2,354,484
Change in provision for outstanding claims	(2,572,825)	592,077	(1,980,748)
Gross	(28,351,486)	2,355,770	(25,995,716)
Retroceded	25,778,661	(1,763,693)	24,014,968
Claims incurred	(3,064,433)	(9,651,478)	(12,715,911)

17 Commission

Particulars	31 March 2016 R	31 March 2015 R
Commission expense		
Gross commission and brokerage paid	(87,514,850)	25,117,543
Gross deferred acquisition cost	29,532,160	(14,329,153)
	(57,982,690)	10,788,390
Commission income		
Retrocession commission and brokerage received	91,241,976	27,908,913
Retroceded overriding commission received	589,229	779,259
Retroceded deferred commission revenue	(29,898,090)	(16,839,339)
	61,933,115	11,848,833

18 Profit before taxation

Particulars	31 March 2016 R	31 March 2015 R
Profit before taxation is stated after charging:		
Employee costs		
– salaries and bonuses	6,869,417	2,293,699
– employer contributions to defined contribution retirement fund	69,207	249,451
	6,938,623	2,543,150
External auditor's remuneration		
– audit services	417,300	425,200
– non-audit services	20,000	339,884
	437,300	765,084
Consulting fees paid	1,979,734	1,800,052
Depreciation of equipment	484,253	368,107
Operating lease expense	1,009,398	866,232

19 Taxation

	Non-Life R	Life R	Total R
31 March 2016			
South African normal tax			
Current taxation			
– current year	-	-	-
Deferred taxation			
– current year	-	-	-
	-	-	-

	Non-Life R	Life R	Total R
Tax rate reconciliation:	%	%	
Standard tax rate	28	28	
Dividends received	0.1	-	
Return transfers previously not recognised and other four funds tax losses	-	(10)	
Calculated tax loss for which no deferred tax asset is raised	(28)	(21)	
Other	-	3	
Effective tax rate	0	0	
31 March 2015			
South African normal tax			
Current taxation			
– current year	-	-	-
Deferred taxation			
– current year	-	-	-
	-	-	-
Tax rate reconciliation:	%	%	
Standard tax rate	28	28	
Dividends received	(1)	-	
Deferred tax not raised on unrealised losses for subsidiaries	27	-	
Return transfers previously not recognised and other four funds tax losses	-	(21)	
Calculated tax loss for which no deferred tax asset is raised	(54)	(10)	
Other	-	3	
Effective tax rate	0	0	

The policyholder funds relating to life insurance contracts have calculated tax losses. At year end a deferred tax asset was not raised for these losses as it is not probable that the company will generate sufficient taxable income in the foreseeable future to utilise the loss and the benefit does not accrue to the company.

Deferred tax has been raised in respect of non-life business to the extent of R5,4 million (2015: R5,4 million). Assessed losses of R7,3 million (2015: R3,6 million) have not been recognised as it is uncertain whether further losses will be offset by taxable income in future.

20 Related party transactions

20.1 Identity of related parties

The current holding company is General Insurance Corporation of India, which acquired 100% of the company's shares on 24 April 2014.

20.2 Transactions with key management personnel

The remuneration of the executive general management, who are key management personnel of the company, is set out below in aggregate.

Particulars		2016 R	2015 R
Directors emoluments are set out below:			
- Salaries and bonuses			
YR Sunkara	Managing director	2,188,272	1,000,000*
		2,188,272	1,000,000
- Fees			
S Bhikha	Non-executive director	215,000	135,000
CI Moosa	Non-executive director	165,000	100,000
J Bagg	Non-executive director	200,000	145,000
		580,000	380,000

Other non-executive directors of GIC Re South Africa Ltd are appointed by GIC Re India (parent company) do not earn any remuneration for their services pertaining to the company.

Key personnel			
- Salaries and bonuses			
I Blaikie	Public Officer, Company Secretary, General Manager - Life	1,093,010	1,378,850
S Karmarkar	Chief Operating Officer	660,314	188,000**
SK Jangir	Chief Finance Officer	412,536	117,500**
Z Ahmad	Chief Underwriting Officer	332,054	94,000**
SKR Chintapalli	Chief Technology Officer, Manager – HR, Manager Admin	332,048	94,000**
		2,829,962	1,872,350

* From August 2014 to March 2015

** From November 2014 to March 2015

20.3 Other related party transactions

The following transactions were entered into with the previous holding company, its subsidiaries and other related parties on commercial terms and conditions prior to 24 April 2014:

	2016 R	2015 R
Statement of comprehensive income effects :		
- consulting fees paid		
White Chocolate Mountain Trust	-	896,672
- interest on loans received		
Directors	-	16,153
- motor vehicle rental received		
White Chocolate Mountain Trust	-	123,121
- administration fees received		
Saxum Insurance Limited	-	1,000,000
- motor vehicle distributed	-	592,159
- dividend in specie	-	42,021,633

The following transactions were entered with the current holding company (General Insurance Corporation of India) :

Statement of comprehensive income effects :		
Retroceded premiums to holding company	285,915,150	122,183,759
Retroceded claims from holding company	(219,738,879)	(22,648,112)
Retroceded commission from holding company	(91,168,479)	(10,580,531)
Statement of financial position effects :		
Retroceded outstanding claims	201,559,626	25,778,662
Retroceded unearned premium provision	165,324,413	78,852,140
Retroceded deferred acquisition cost	(46,737,429)	(16,839,339)
Retroceded reserve deposit	375,711,021	80,392,245
Retroceded receivables	20,643,312	-

21 Commitments and contingencies

Particulars	2016 R	2015 R
The company entered into a lease agreement for the rental of its premises for a period of three years with an escalation of 9% per annum. Future rentals payable under the operating lease as at year end is:		
Within one year	791,932	371,540
One to five years	1,412,060	-
	2,203,992	371,540

The operating lease was renewed on 01 November 2015 and expires on 31 October 2018.

22 Other company information

Business

The company is a composite reinsurer that was previously in run-off and as of 1 January 2015 began writing non-life reinsurance business.

Dividends

No dividends were paid during the year (2015 : the subsidiaries were declared as a dividend in specie at their carrying value, on the dividend declaration date of 24 April 2014 for R42 021 633.)

Going concern

The directors believe that the company will be a going concern in the future.

23 New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company

Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project

The amendment provides additional guidance regarding transfers with continuing involvement. Specifically, it provides that cash flows excludes cash collected which must be remitted to a transferee. It also provides that when an entity transfers a financial asset but retains the right to service the asset for a fee, that the entity should apply the existing guidance to consider whether it

has continuing involvement in the asset. The company expects to adopt the amendment for the first time in the 2017 annual financial statements. It is unlikely that the amendment will have a material impact on the company's financial statements.

IFRS 9: Financial Instruments

On 24 July, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have a significant impact on the company, which will include changes in the measurement bases of the company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debt recognised in the company.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application. Early adoption is permitted.

24 Revenue account split between non-life and life reinsurance contracts

Note	Total		Non-life		Life	
	31 March 2016 R	31 March 2015 R	31 March 2016 R	31 March 2015 R	31 March 2016 R	31 March 2015 R
Gross premiums written	331,818,342	155,877,705	315,699,944	135,759,733	16,118,398	20,117,972
Retroceded premiums	(291,781,769)	(129,976,349)	(285,915,150)	(122,183,759)	(5,866,619)	(7,792,590)
Gross UPR movement	(95,795,938)	(87,613,488)	(95,795,938)	(87,613,488)	-	-
Retro UPR movement	86,472,273	78,852,140	86,472,273	78,852,140	-	-
Net premiums written and earned	30,712,908	17,140,008	20,461,129	4,814,626	10,251,779	12,325,382
Claims incurred	(32,603,728)	(12,715,911)	(22,108,044)	(3,064,433)	(10,495,684)	(9,651,478)
Claims paid	16 (14,551,428)	(10,735,163)	(4,628,842)	(491,608)	(9,922,586)	(10,243,555)
Gross	(73,922,858)	(13,089,647)	(53,733,177)	2,638,941	(20,189,681)	(15,728,588)
Retroceded	59,371,430	2,354,484	49,104,335	(3,130,549)	10,267,095	5,485,033
Change in provision for outstanding claims	6 (18,052,300)	(1,980,748)	(17,479,202)	(2,572,825)	(573,098)	592,077
Gross	(194,746,536)	(25,995,716)	(193,260,167)	(28,351,486)	(1,486,369)	2,355,770
Retroceded	176,694,236	24,014,968	175,780,965	25,778,661	913,271	(1,763,693)
Net commission	3,950,425	1,060,443	3,524,003	1,231,147	426,422	(170,704)
Commissions (paid)/received	4,316,355	3,570,629	3,889,933	3,741,333	426,422	(170,704)
Gross	(87,514,850)	(25,117,543)	(87,278,547)	(23,678,535)	(236,303)	(1,439,008)
Retroceded	91,831,205	28,688,172	91,168,480	27,419,868	662,725	1,268,304
Net change in deferred acquisition cost	9 (365,930)	(2,510,186)	(365,930)	(2,510,186)	-	-
Gross	29,532,160	14,329,153	29,532,160	14,329,153	-	-
Retroceded	(29,898,090)	(16,839,339)	(29,898,090)	(16,839,339)	-	-
Change in provision for policyholder liabilities	7 (2,806,547)	3,987,851	-	-	(2,806,547)	3,987,851
Gross	(3,374,234)	4,981,806	-	-	(3,374,234)	4,981,806
Retroceded	567,687	(993,955)	-	-	567,687	(993,955)
Underwriting result	(746,942)	9,472,391	1,877,088	2,981,340	(2,624,030)	6,491,051
Gross	(27,740,136)	96,656,605	(18,571,947)	86,368,653	(9,168,189)	10,287,952
Retroceded	36,682,788	(75,912,680)	30,138,629	(72,115,779)	6,544,159	(3,796,901)
Management expenses	(18,583,626)	(10,204,020)	(15,424,375)	(4,897,951)	(3,159,251)	(5,306,069)
Net income/(loss) before other income and expenses	(19,330,568)	(731,629)	(13,547,287)	(1,916,611)	(5,783,281)	1,184,982
Net investment income	7,088,427	4,222,716	4,331,190	2,128,475	2,757,237	2,094,241
Increase in provision for doubtful debts	(1,090,621)	-	(1,090,621)	-	-	-
Foreign exchange gain/(loss)	6,676,603	(194,239)	6,676,603	(194,239)	-	-
Profit/(Loss) before taxation	18 (6,656,159)	3,296,848	(3,630,115)	17,625	(3,026,044)	3,279,223
Taxation	19 -	-	-	-	-	-
Profit/(Loss) after taxation	(6,656,159)	3,296,848	(3,630,115)	17,625	(3,026,044)	3,279,223

25 Notes to the statement of cash flows

25.1 Cash utilised by operations

Particulars	31 March 2016 R	31 March 2015 R
(Loss)/profit before taxation	(6,656,159)	3,296,848
Adjustments for:		
– depreciation of equipment	484,253	368,107
– realised loss/(gain) on disposal of investments	69,041	(326,061)
– interest received	(7,717,401)	(6,487,627)
– dividends received	(60,649)	(74,518)
– interest paid	80,882	142,343
– increase in net provision for unearned premium	9,323,665	8,761,348
– increase in net deferred acquisition costs	365,930	2,510,186
– increase in net provision for outstanding claims	18,052,300	1,980,748
– increase/(decrease) in net policyholder liabilities for life insurance contracts	2,806,547	(3,987,851)
– unrealised loss on revaluation of investment in subsidiaries	-	2,126,447
– unrealised (gain)/loss on revaluation of investments	(378,116)	22,257
Cash generated by operations before working capital changes	16,370,293	8,332,227
Increase in amounts receivable from insurance companies	(88,376,759)	(111,522,371)
Decrease/(Increase) in other accounts receivable	1,720,867	(1,090,341)
(Decrease)/Increase in amounts payable to insurance companies	(9,212,463)	5,740,224
(Decrease)/increase in other accounts payable	(465,695)	(3,098,094)
Increase in deposits withheld from retrocessionaires	295,318,776	80,392,245
	215,355,019	(21,246,110)

25.2 Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts :

Cash on call and on deposit	7,853,065	24,193,019
Cash at bank	29,675,241	9,055,526
Cash on hand	13,672	35,283
	37,541,978	33,283,828

Categorisation of Assets and Liabilities

Categorisation of assets and liabilities

	Note	Total	Financial assets and liabilities				Other non - financial assets and liabilities	Current/non - current distinction	
			Financial assets designated at fair value through profit and loss	Loans and receivables	Financial liabilities at amortised cost			Current assets and liabilities	Non - current assets and liabilities
		R	R	R	R	R	R	R	R
2016									
ASSETS									
Equipment	5	1,524,957	-	-	-	-	1,524,957	-	1,524,957
Technical assets under insurance contracts									
Retrospected outstanding claims	6	417,919,918	-	-	-	-	417,919,918	375,606,291	42,313,627
Retrospected unearned premium reserve	8	202,901,429	-	-	-	-	202,901,429	162,537,231	40,364,198
Gross deferred acquisition costs	9	165,324,413	-	-	-	-	165,324,413	165,324,413	-
Retrospected policyholder liabilities	7	43,861,313	-	-	-	-	43,861,313	43,861,313	-
		5,832,763	-	-	-	-	5,832,763	3,883,334	1,949,429
Investments	10	292,403,805	59,982,634	232,421,171	-	-	-	285,624,673	6,779,132
Government securities		6,779,132	6,779,132	-	-	-	-	-	6,779,132
Fixed deposits		206,610,408	-	206,610,408	-	-	-	206,610,408	-
Negotiable certificates of deposits		25,810,763	-	25,810,763	-	-	-	25,810,763	-
Listed Unit Trust		4,383,915	4,383,915	-	-	-	-	4,383,915	-
Listed ordinary shares		4,013,260	4,013,260	-	-	-	-	4,013,260	-
Listed collective investment schemes		44,806,327	44,806,327	-	-	-	-	44,806,327	-
Deferred tax	11	5,971,195	-	-	-	-	5,971,195	-	5,971,195
Amounts receivable from insurance companies		200,469,156	-	200,469,156	-	-	-	147,234,404	53,234,752
Other accounts receivable		302,174	-	302,174	-	-	-	302,174	-
Cash on call and on deposit		7,853,065	-	7,853,065	-	-	-	7,853,065	-
Cash at bank and on hand		29,688,913	-	29,688,913	-	-	-	29,688,913	-
Total assets		956,133,183	59,982,634	470,734,479	-	-	425,416,070	846,309,520	109,823,663
LIABILITIES									
Technical liabilities under insurance contracts									
Gross outstanding claims	6	491,441,445	-	-	-	-	491,441,445	428,313,711	63,127,734
Gross unearned premium reserve	8	237,563,814	-	-	-	-	237,563,814	183,187,898	54,375,916
Retrospected deferred acquisition cost	9	183,409,426	-	-	-	-	183,409,426	183,409,426	-
Gross policyholder liabilities	7	46,737,429	-	-	-	-	46,737,429	46,737,429	-
Deposits withheld from retrocessionaires		23,730,776	-	-	-	-	23,730,776	14,978,958	8,751,818
Amounts payable to insurance companies		375,711,021	-	-	-	-	-	375,711,021	-
Other accounts payable	12	8,461,983	-	-	-	-	-	8,461,983	-
		534,431	-	-	-	-	378,419	534,431	-
Total liabilities		876,148,880	-	-	-	-	491,819,864	813,021,146	63,127,734

Categorisation of assets and liabilities

	Note	Total	Financial assets and liabilities			Other non - financial assets and liabilities	Current/non - current distinction	
			Financial assets designated at fair value through profit and loss	Loans and receivables	Financial liabilities at amortised cost		Current assets and liabilities	Non - current assets and liabilities
2015		R	R	R	R	R	R	R
ASSETS								
Equipment	5	1,585,004	-	-	-	1,585,004	-	1,585,004
Technical assets under insurance contracts								
Retrospected outstanding claims	6	124,653,562	-	-	-	124,653,562	117,401,643	7,251,919
Retrospected unearned premium reserve	8	26,207,193	-	-	-	26,207,193	21,051,461	5,155,732
Gross deferred acquisition costs	9	78,852,140	-	-	-	78,852,140	78,852,140	-
Retrospected policyholder liabilities	7	14,329,153	-	-	-	14,329,153	14,329,153	-
		5,265,076	-	-	-	5,265,076	3,168,889	2,096,187
Investments								
Government securities	10	73,724,898	65,555,370	8,169,528	-	-	73,724,898	-
Negotiable certificates of deposits		2,077,031	2,077,031	-	-	-	2,077,031	-
Listed Unit Trust		8,169,528	-	8,169,528	-	-	8,169,528	-
Listed ordinary shares		4,120,937	4,120,937	-	-	-	4,120,937	-
Listed collective investment schemes		1,760,270	1,760,270	-	-	-	1,760,270	-
		57,597,132	57,597,132	-	-	-	57,597,132	-
Deferred tax	11	5,971,195	-	-	-	5,971,195	-	5,971,195
Amounts receivable from insurance companies		112,092,397	-	112,092,397	-	-	112,092,397	-
Other accounts receivable		2,023,041	-	2,023,041	-	-	2,023,041	-
Cash on call and on deposit		24,193,019	-	24,193,019	-	-	24,193,019	-
Cash at bank and on hand		9,090,809	-	33,283,828	-	-	9,090,809	-
Total assets		353,333,925	65,555,370	179,761,813	-	132,209,761	338,525,807	14,808,118
LIABILITIES								
Technical liabilities under insurance contracts								
Gross outstanding claims	6	167,626,647	-	-	-	167,626,647	147,066,055	20,560,592
Gross unearned premium reserve	8	42,817,278	-	-	-	42,817,278	30,607,837	12,209,441
Retrospected deferred acquisition cost	9	87,613,488	-	-	-	87,613,488	87,613,488	-
Gross policyholder liabilities	7	16,839,339	-	-	-	16,839,339	16,839,339	-
Deposits withheld from retrocessionaires		20,356,542	-	-	-	20,356,542	12,005,391	8,351,151
Amounts payable to insurance companies		80,392,245	-	-	-	-	80,392,245	-
Other accounts payable	12	17,674,446	-	-	-	-	17,674,446	-
		1,000,126	-	-	-	43,765	1,000,126	-
Total liabilities		266,693,464	-	-	99,023,052	167,670,412	246,132,872	20,560,592

GIC RE, INDIA, CORPORATE MEMBER LIMITED

ANNUAL REPORT AND ACCOUNTS 31 DECEMBER 2015

Registered number: 07792458

GIC RE, INDIA, CORPORATE MEMBER LIMITED

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GIC RE, INDIA, CORPORATE MEMBER LIMITED

DIRECTORS AND ADMINISTRATION

Directors

Balaji Thiagarajan

Secretary

Leadenhall Insurance Consultants Limited
Suite 835 at Lloyd's
One Lime Street
London
EC3M 7DQ

Registered Office

Suite 835 at Lloyd's
One Lime Street
London
EC3M 7DQ

Registered Number

07792458

Auditors

KPMG LLP
15 Canada Square
London
E14 5GL

Tax Advisors

Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Banker

Lloyds TSB
113-116 Leadenhall Street
London
EC3A 4AX

The Director submits his Strategic Report for GIC Re, India, Corporate Member Limited (the Company) for the year ended 31 December 2015.

Principal Activities

The Company is incorporated in the United Kingdom (U.K.) and is a corporate member of the Society of Lloyd's (Lloyd's). The Company underwrites (on a limited liability basis) on Lloyd's Syndicate 6118 and Syndicate 6119 (the Syndicates). The table below summarises the Company's insurance capacity on the Syndicates by underwriting year.

	Syndicate 6118 £000	Syndicate 6119 £000	
Year of Account	2015	2014	2015
Company insurance capacity	5,000	14,055	13,473
Total Syndicate insurance capacity	48,100	14,055	13,473
Percent of total	10.4%	100%	100%

Underwriting years normally close at the end of three calendar years. After the 2012 underwriting year, the Company discontinued underwriting on Syndicate 4242.

Syndicate 6118 was established since the 2014 Year of Account to provide a dedicated vehicle for external investors to participate on Barbican Syndicate 1955 via quota share reinsurance, net of quota share cession to Syndicate 6113.

Syndicate 6119 was established since the 2014 year of account as a 'Special Purpose Syndicate' to underwrite whole account quota share reinsurance of Catlin Syndicate 2003. This is the only inwards contract that the syndicate writes.

The Parent reinsurer proportionately reinsures all of the Company's underwriting business from the Syndicates.

Transition to FRS 102

This is the first year that the Company has presented its results under FRS 102 "The Financial Reporting Standard, applicable in the UK and Republic of Ireland". The last financial statements under previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. In accordance with FRS 102, the Company has identified its insurance contracts and accounted for them in accordance with FRS 13 "Insurance Contracts". The impact of the transition to FRS 102 is set out in Note 2 'Transition to FRS 102'.

Business Review

Key Financial Performance Indicators

In the opinion of the director, the key financial performance indicators below best represent the performance and position of the Company before reinsurance of all of its underwriting business from the Syndicate to the Parent reinsurer.

	2015 \$000
Gross written premiums	33,659
Outward reinsurance premiums	(6,788)
Profit for the financial year	1,188
Return on capacity	6.43 %

Non-financial Key Performance Indicators

Due to the nature of the Company's operations as a Lloyd's corporate member, the Syndicate carries out the majority of the Company's activities. The Company is not directly involved in the management of the Syndicate's activities, including the employment of staff. The Syndicate Managing Agent is responsible for the management of the Syndicate. The Managing Agent also has responsibility for the environmental activities of the

Syndicate, though by their nature, insurers generally do not produce significant environmental emissions. Therefore, the director does not consider it appropriate to monitor and report any performance indicators for staff or environmental matters.

Member Outward Reinsurance Arrangement

The Company proportionally reinsures all of its underwriting business from the Syndicate to its parent company, General Insurance Corporation of India ('the Parent reinsurer'). Outward reinsurance premiums equal the Company's share of Syndicate gross premiums, less Syndicate outward reinsurance premiums; reinsured liabilities equal the Company's share of Syndicate losses and expenses, less investment income. The reinsurance contract limits the Company's net reinsurance recoveries to the reinsurer's related funds at Lloyd's. The reinsurer reimburses the Company for member administrative expenses (including audit and accounting fees and other expenses) limited to £115,000.

Risk Review

Insurance risks

As a corporate member of Lloyd's, most of the significant insurance risks and uncertainties facing the Company arise from its participation on the Syndicate. The Company's role in managing these risks is limited to monitoring the Syndicate's performance. This starts in advance of committing support to the Syndicate for the following underwriting year, with a review of the Syndicate's business plan as prepared by the Syndicate's Managing Agent. During the year, the director monitors and, if necessary, enquires into the Syndicate's quarterly reports and annual accounts together with any other information made available by the Managing Agent. If the director deems a particular risk in the Syndicate to be excessive, he will seek confirmation from the Managing Agent that adequate management of the risk is in place and, if considered appropriate, may withdraw

the Company's support from the next underwriting year if he is not satisfied with the Managing Agent's response.

The Annual Report of the Directors of the Managing Agent on the audited annual accounts for the Syndicate details the significant risks and uncertainties facing the Syndicate. The Managing Agent manages these risks together with the Syndicate's service providers.

Since the Company proportionately reinsures all of its underwriting business from the Syndicate to the Parent reinsurer, the risks it faces from its participation on the Syndicate are significantly reduced. The Company, however, faces the risk that the reinsurer will not meet its reinsurance obligations, though the director considers this risk remote, since the reinsurer provided a \$15.4 million letter of credit to Lloyd's (Funds at Lloyd's) to collateralise its reinsurance obligations to the Company.

Operational Risk

Since the Company only undertakes in a few transactions of its own, it has limited systems and staffing requirements. Therefore, the director does not consider the Company's operational risks to be significant. Close involvement of the director in the Company's key decision making and the fact that the Syndicate conducts a majority of the Company's operations provides control over any remaining operational risk.

Foreign Exchange

The Company is exposed to foreign exchange risk through the Syndicates' liabilities under policies of insurance denominated in currencies other than US Dollars. The most significant currencies to which the syndicate is exposed are Pounds Sterling, Canadian Dollar and the Euro. Where possible, the syndicate seeks to mitigate the risk by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency. There is a natural matching to currency risk as claims are normally paid in

the currency of the original policy. The Company did not undertake any transactions of its own during the year except for administrative expenses.

Market, Credit, and Liquidity Risk

Other significant risks faced by the Company include its investment of available funds within its own custody. The elements of these risks are interest rate, investment price, and liquidity risk. Liquidity risk would arise if the Syndicate had inadequate liquid resources for a large claim and sought funds from the Company to pay the claim. In order to minimise interest rate, investment price, and liquidity risk, the Company invests its funds in readily realisable short term cash deposits.

Since the Company did not undertake many transactions of its own, the director does not consider currency or credit risk to be significant.

Regulatory and Compliance Risk

The Company is subject to continuing approval by Lloyd's to be a corporate member of the Syndicate. The Company tries to reduce the risk of this approval being revoked by monitoring and fully complying with all of its Lloyd's membership requirements.

The capital requirements to support the proposed amount of Syndicate insurance capacity for future years are subject to Lloyd's requirements. Lloyd's takes a variety of factors into account when setting these requirements

including market conditions and Syndicate performance, and though Lloyd's intends for the process to be fair and reasonable, the requirements can fluctuate from one year to the next, which may constrain the amount of Syndicate insurance capacity that the Company can support.

Future Developments

The Company will be participating on the following Syndicates for the 2016 Year of Account:

- Syndicate 6118 - managed by Barbican Managing Agency Limited.
- Syndicate 6119 - managed by Catlin Underwriting Agencies Limited.
- Syndicate 6126 - managed by Asta Managing Agency Limited.
- Syndicate 2014 - managed by Pembroke Managing Agency Limited.

Approved by the Board on 28 June 2016

And signed on its behalf by

Balaji Thiagarajan

Director

Suite 835 at Lloyd's
One Lime Street
London
EC3M 7DQ

Registered Number: 07792458

**Director's Report
31 December 2015**

The director presents his report below, together with the audited accounts for GIC Re, India, Corporate Member Limited, for the year ended 31 December 2015 on pages 248 to 267.

Results

The Company underwrites on the 2014 and 2015 Year of Account of Syndicate 6119 and the 2015 Year of Account on Syndicate 6118.

Profits for the year ended 31 December 2015 were \$62,000 (2014: \$47,000).

Dividend

The director does not recommend the payment of a dividend (2014: Nil).

Going Concern

On the basis of his assessment of the Company's financial position and after making appropriate enquiries, the director reasonably expects the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the annual accounts are prepared on a going concern basis.

Directors

Below are the names of the people who were directors of the Company during the period and to the date of this report.

Balaji Thiagarajan

Directors and Officers Liability Insurance

The Director is covered against liabilities arising in relation to the Company through the global Directors and Officers policy in place by the Parent Company. This is limited to 500,000,000 Indian Rupees.

Donations

The Company made no political or charitable donations during the period.

Disclosure of Information to Auditors

The director who held office at the approval date of this report confirms to the best of his knowledge, that there is no relevant audit information of which the Company's auditors are unaware, and he took all action necessary as a Director to become aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board

Balaji Thiagarajan

Director

28 June 2016

Suite 835 at Lloyd's
One Lime Street
London
EC3M 7DQ

GIC RE, INDIA, CORPORATE MEMBER LIMITED

Registered Number: 07792458

**Statement of Director's Responsibilities in respect of the
Strategic Report, the Director's Report and the Financial Statements
31 December 2015**

The director is responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. The director has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GIC RE, INDIA, CORPORATE MEMBER LIMITED

We have audited the financial statements of GIC Re.India, Corporate Member Limited for the year ended 31 December 2015 set out on pages 10 to 36. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter(s) prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Salim Tharani (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London, E14 5GL

08 July 2016

Profit and Loss Account

Particulars	Note	2015 \$000	2014 \$000
I. TECHNICAL ACCOUNT – GENERAL BUSINESS:			
Earned premiums, net of reinsurance:			
Gross premiums written	6	33,659	26,092
Outward reinsurance premiums		(33,659)	(26,092)
Net premiums written			-
Change in the gross provision for unearned premiums	14	(4,527)	(12,170)
Change in the provision for unearned premiums reinsurers' share	14	4,527	12,170
net change in provision for unearned premiums		-	-
Earned premiums, net of reinsurance		-	-
Allocated investment return transferred from the Non-technical Account	7	-	-
Claims incurred, net of reinsurance:	6		
Claims paid:			
Gross amount		(192)	(142)
Reinsurers' share		192	142
Claims paid		-	-
Change in the provision for claims:	14		
Gross amount		(15,198)	(6,722)
Reinsurers' share		15,198	6,722
Change in provision for claims		-	-
Claims incurred, net of reinsurance		-	-
Net operating expenses	8, 11	-	-
Balance on Technical Account- General business		-	-
II. NON TECHNICAL ACCOUNT – GENERAL BUSINESS:			
Balance on the Technical Account – General business		-	-
Investment income		-	-
Unrealised gains on investments		-	-
Investment expenses and charges		-	-
Unrealised losses on investments		-	-
Allocated investment return transferred to general business technical Account		-	-
Foreign exchange gain		20	-
Other income		176	189
Other charges		(117)	(129)
Profit on ordinary activities before tax	9	79	60
Tax on profit on ordinary activities	10	(17)	(13)
Profit on ordinary activities after tax		62	47
Profit for the financial year		62	47

All operations relate to continuing activities.

There are no other gains and losses for 2015 or 2014 other than those included in the profit and loss account. Accordingly, a separate statement of comprehensive income has not been prepared.

The notes on pages 253 to 267 form part of these annual accounts.

Particulars	Note	2015 \$000	2014 \$000
Assets:			
Investments:			
Other financial investments	12	-	111
Reinsurers' share of technical provisions:	14		
Provision for unearned premiums		12,506	8,461
Claims outstanding		21,572	6,882
		34,078	15,343
Debtors:			
Debtors arising out of reinsurance operations		38,980	17,464
Other debtors		273	58
		39,253	17,522
Other assets:			
Cash at bank and in hand		170	559
Other		-	-
		170	559
Prepayments and accrued income:			
Deferred acquisition costs		3,916	3,690
Other prepayments and accrued income		-	623
		3,916	4,313
Total assets		77,417	37,848
Liabilities:			
Capital and reserves:	13		
Called up share capital		-	-
Profit and loss account		118	56
		118	56

Particulars	Note	2015 \$000	2014 \$000
Technical provisions:	14		
Provision for unearned premiums:			
Gross amount		16,422	12,151
Claims outstanding:			
Gross amount		21,572	6,882
		37,994	19,033
Creditors:			
Creditors arising out of direct insurance operations		-	1
Creditors arising out of reinsurance operations		38,026	18,244
Other creditors including taxation	15	1,230	477
		39,256	18,722
Accruals and deferred income		49	37
Total liabilities		77,417	37,848

The financial statements on pages 248 to 267 were approved by the Board of GIC Re, India, Corporate Member Limited on 28 June 2016 and signed on its behalf by:

Balaji Thiagarajan

Director

Registered Number: 07792458

The notes on pages 253 to 267 form part of these annual accounts.

Statement of Changes in Equity

Particulars	Called up Share Capital \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2014	-	9	9
Profit for the year	-	47	47
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	56	56
Transactions with owners, recorded directly in equity Issue of shares	-	-	-
Own shares acquired	-	-	-
Disposal of own shares	-	-	-
Dividends	-	-	-
Total contributions by and distributions to owners	-	-	-
As at 31 December 2014	-	56	56
Profit for the year	-	62	62
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	118	118
Transactions with owners, recorded directly in equity Issue of shares	-	-	-
Own shares acquired	-	-	-
Disposal of own shares	-	-	-
Dividends	-	-	-
Total contributions by and distributions to owners	-	-	-
As at 31 December 2015	-	118	118

The notes on pages 253 to 267 form part of these annual accounts.

Cash Flow Statement

Particulars	Note	2015 \$000	2014 \$000
Cash flow from operating activities			
Profit before taxation		79	60
Movement in creditors		37,230	35,722
Movement in debtors		(37,820)	(36,139)
Tax paid		11	-
Net cash generated from operating activities		(500)	(357)
Cash flow from investing activities			
Net inflow from purchases and sales of investments	16	111	892
Net cash generated from investing activities		111	892
Net (decrease)/increase in cash and cash equivalents		(389)	535
Cash and cash equivalents at the beginning of the year		559	24
Cash and cash equivalents at the end of the year		170	559

The notes on pages 253 to 267 form part of these annual accounts.

(1) General Information

GIC Re, India, Corporate Member Limited ("the Company") is a limited company incorporated in the United Kingdom. The address of its registered office is Suite 835 at Lloyd's, One Lime Street, London, EC3M 7DQ. The nature of the Company's operations and its principal activities are set out in the Strategic report on pages 242 to 244.

These financial statements have been presented in US Dollars (\$'000) as this is the Company's functional currency, being the primary economic environment in which the Company operates.

(2) Basis of Preparation and transition to FRS 102

This is the first year these financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'), Financial Reporting Standard 103 – 'Insurance Contracts' ('FRS 103') and with the Companies Act 2006. For financial years up to and including the year ending 31 December 2014, the Company prepared its financial statements in accordance with prior UK GAAP. The financial statements have been prepared on the historical cost basis. The date of transition is 1 January 2014.

FRS 103 requires that all assets and liabilities arising from an insurance contract are treated as monetary items for foreign currency translation purposes. Previously, balances such as unearned premiums and deferred acquisition costs were treated as non-monetary items. This has the effect of valuing those items at closing rates rather than historic rates.

The principal change is explained below:

	2014 \$000 UK GAAP - As previously reported	2014 \$000 Adjust- ment	2014 \$000 FRS 102
Balance Sheet			
Opening balance at 1 December 2014	9	-	9
Gross unearned premiums	11,526	625	12,151
Reinsurers' share of unearned premiums	11,526	625	12,151
Deferred acquisition costs	3,496	194	3,690
Closing balance at 31 December 2014	56	-	56

Due to the reinsurance agreement the Company has with the Parent reinsurer to proportionally reinsure all of its underwriting business from the Syndicate the above has had no effect on the Company's profit and loss account.

The director, based on his assessment of GIC Re, India, Corporate Member Limited's financial position and after making appropriate enquiries, reasonably expects that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, these annual accounts are prepared on a going concern basis.

(3) Basis of Accounting for Underwriting Activities

The Company underwrites insurance business on an underwriting year basis through its participation on Lloyd's of London (Lloyd's) Syndicate 6118 and Syndicate 6119 (the Syndicates) under agency agreements with the Syndicates; each underwriting year is a separate annual venture. Agency agreements grant underwriting control to the Managing Agent of the Syndicates, and the Company has no access to funds controlled by the Syndicates. The Syndicates release funds to the Company from the Syndicate Premium Trust Funds when underwriting years close (normally after three calendar years). The Managing Agent assesses the result and net assets for each underwriting year based on the insurance policies incepting in that year for the membership of that year. The Syndicates may also release funds early on open underwriting years if the Managing Agent can determine the ultimate profitability of the year with enough accuracy (generally at the end of two calendar years).

The Company reports its share of the Syndicate's underwriting transactions, investment return, and operating expenses in its profit and loss account, and its share of the Syndicate's assets and liabilities on its balance sheet. The director calculates these shares based on the Company's participation in the Syndicates as a percentage of the Syndicate's total insurance capacity.

The Syndicates hold assets subject to trust deeds for the benefit of the Company's insurance creditors.

(4) Accounting Policies

The director consistently applied the material accounting policies below in preparing these annual accounts.

(a) Gross Premiums Written

Gross premiums written consist of the Company's share of premiums on insurance contracts that the Syndicate bound during the year, together with any adjustments arising in the year to such premiums receivable in respect of business written in prior years. The Company shows premiums gross of commissions payable to intermediaries and excludes taxes and fees levied on them.

(b) Outward Reinsurance Premiums

Outward reinsurance premiums consist of (a) the Company's share of the Syndicate's reinsurance premiums on the outward reinsurance contract bound during the period and (b) the Company's reinsurance premiums on the outward reinsurance contracts that it has with its Parent reinsurer to proportionally reinsure all of its underwriting business from the Syndicate. Reinsurance transactions do not relieve the Company of its primary obligations to its policyholders.

The Company offsets actual or estimated assets and liabilities under the outward reinsurance contract with its Parent reinsurer that proportionately reinsures all of its underwriting business from the Syndicate into single net balances, because they do not represent separate assets and liabilities.

(c) Provision for Unearned Premiums

Unearned premiums represent the proportion of premiums written in the year that relate to the unexpired terms of policies in force at the Balance Sheet date, calculated on the basis of established earnings patterns or time apportionment as appropriate.

(d) Provision for Unexpired Risks

At the balance sheet date, the Company makes a provision for unexpired risks where the value of claims and administrative expenses expected to arise after the balance sheet date from the insurance contracts entered into before the balance sheet date exceeds the provision for unearned premiums, the amount of premiums receivable under those contracts, after the deduction of any deferred acquisition costs.

The director calculates the provision for unexpired risks by class of business, after considering related investment returns. No provision for unexpired risks was recorded in 2014 or 2015.

(e) Closed Years of Account

At the end of the third calendar year that an underwriting year is open, the year normally closes by way of reinsurance into the following open underwriting year. The Managing Agent determines the amount of the reinsurance to close premium

payable, generally by estimating the cost of claims notified but not settled at 31 December, together with the estimated cost of claims incurred but not reported at that date, and an estimate of future claims handling expenses. The open underwriting year into which the closed underwriting year is reinsured bears the risk of any subsequent variation in the ultimate liabilities of the closed year.

The payment of a reinsurance to close premium does not relieve the closed year from its primary obligations for outstanding claims. If the reinsuring syndicate is unable to meet its obligations and the other elements of Lloyd's chain of security failed, then the closed underwriting year would have to settle the outstanding claims. The director considers the likelihood of such a reinsurance to close failure to be remote and therefore deem reinsurance to close as settlement of the liabilities outstanding at the closure of an underwriting year. The Company includes its share of the reinsurance to close premiums payable in its technical provisions at the balance sheet date, and the Company makes no further provision for any potential risk of variation in the ultimate liability of closed years.

(f) Run - Off Years of Account

If an underwriting year is not closed at the end of the third calendar year that it is open (a "run-off" year), the Company makes a provision for the estimated cost of all known and unknown outstanding liabilities of that year. The Managing Agent first determines the provision on a similar basis to the reinsurance to close. The Company, however, determines any subsequent variation in the ultimate liabilities for that year. Therefore, the Company will continue to report movements in its results from any run-off year after the third calendar year until it secures reinsurance to close.

The Company had no run-off years at 31 December 2014 or 2015.

(g) Claims Incurred, Net of Reinsurance

Gross claims incurred consist of the estimated cost of settling all claims occurring during the period, whether reported or not, including related claims handling expenses. The Company anticipates subrogation recoveries when it sets provisions for reported claims. The Company accounts for

reinsurance recoveries when it incurs the related losses.

The provision for claims outstanding includes the estimated cost of claims incurred but not reported (IBNR) at the balance sheet date. A variety of estimation techniques are used generally based upon statistical analyses of historical experience and includes adjustments for catastrophes and other significant events, changes in historical trends, economic and social conditions, judicial decisions, and legislation, as necessary. In evaluating the provision, the director uses the findings of the Syndicate's actuaries, which include an associated third party claims administrator's loss estimates for large catastrophes.

Large claims impacting each relevant business class are generally assessed separately, being measured on a case by case basis or projected separately in order to allow for the possible distorting effect of the development and incidence of these large claims.

Due to the Syndicate's limited history and small population of insured and reinsured claims, the provision for claims outstanding is subject to significant variability. While the director believes that the recorded provision for gross claims and reinsurance recoveries is adequate, establishing this liability is a judgmental and inherently uncertain process. Therefore, it is possible that actual losses may not conform to the assumptions that have been used in determining the amount of this provision. Accordingly, the ultimate provision may be significantly greater or less than the outstanding amount held at the balance sheet date. The Company recognises adjustments to the provision for claims outstanding in the profit and loss account when known. Due to its inherent nature Claims IBNR may not be apparent to the insurer until many years after the event giving rise to the claim has happened. Classes of business where the IBNR proportion of the total reserve is high will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves. Classes of business where claims are typically reported relatively quickly after the claim event tend to display lower levels of volatility.

The director bases the reinsurers' share of the provision for claims outstanding on the provisions for reported claims and IBNR, net of estimated irrecoverable amounts from potential reinsurer insolvencies based on the type of balance and security ratings of the involved reinsurers.

(h) Acquisition Costs, Net of Reinsurance

Acquisition costs consist of the Company's share of Syndicate related coverholder and ceding commissions (on inward reinsurance acceptances) primarily related to the production of new and renewal business. The Company defers acquisition costs to the extent that they are attributable to unearned premiums at the balance sheet date and expenses them as it earns the underlying insurance contract premiums. The Company includes acquisition costs in net operating expenses. The Company defers recoveries of acquisition costs (ceding commissions) from outward reinsurers and includes them in accruals and deferred revenue. The Company earns ceding commissions as it expenses underlying reinsurance contract premiums and includes them in net operating expenses under reinsurance commissions and profit participation.

(i) Investments

Investments consist of the Company's share of the Syndicate's shares and other variable yield securities and debt securities and other fixed-income securities. The Company carries investments at current or market value.

(j) Investment Return

Investment return primarily consists of income from the Company's share of the Syndicate's investments, gains and losses on the realisation of investments, and movements in unrealised gains and losses on investments, net of investment management expenses. Income from investments consists of interest, which the Company recognises when earned. The Company bases realised gains and losses on investments on the difference between the sale proceeds and the cost of the investment. Movements in unrealised gains and losses on investments represent the difference between the carrying value of investments at the balance sheet date and the purchase price of investments in earlier accounting

periods, after considering investment disposals. Investment management expenses consist of investment custodian and management fees.

The Company first records its investment return in the non-technical account. The Company then transfers this return to the general business technical account to reflect the investment return on funds supporting the Syndicate's underwriting business; no funds outside of those in the Syndicate support the Company's underwriting business.

(k) Net Operating Expenses

The Company recognises operating expenses when incurred. Operating expenses include acquisition costs and the change in deferred acquisition costs, administrative expenses, and reinsurance commissions and profit participation. Administrative expenses consist of:

- i. the Company's share of Syndicate operating costs,
- ii. Managing Agent fees and profit commissions,
- iii. Lloyd's membership costs, and
- iv. the reimbursement of administrative expenses from the Parent reinsurer that proportionately reinsures all of the Company's underwriting business from the Syndicate.

The Company also includes its share of the Syndicate's brokerage sharing from reinsurance brokers that place reinsurance coverage for the Syndicate in administrative expenses. The Company recognises brokerage sharing as revenue when brokers place the reinsurance coverage.

Reinsurance commissions and profit participation consist of (a) the Company's share of the Syndicate's ceding and contingent profit commissions from outward reinsurers and (b) the recovery of acquisition costs from the Parent reinsurer that proportionately reinsures all of the Company's underwriting business from the Syndicate.

(l) Current Taxation

The Company makes a provision for current United Kingdom (U.K.) taxes based on its taxable result for the period after considering permanent and timing

differences between the treatment of certain items for book and tax. The Company also makes a provision for current U.S. federal tax where due based on U.S. taxable income for the period.

(m) Deferred Taxation

The Company makes a full provision for deferred taxation on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when these items reverse based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the annual accounts. The Company recognises deferred tax assets to the extent that it is more likely than not that they will be recovered. The Company does not discount deferred tax assets and liabilities.

(n) Foreign Currency Translation

The Company's functional and reporting currency is the U.S. Dollar. The Company measures foreign currency monetary assets and liabilities at the closing exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities at the balance sheet date are maintained at the rate of exchange ruling when the contract was entered into except for non-monetary assets and liabilities arising out of insurance contracts which are treated as monetary items in accordance with FRS 103 Insurance Contracts ("FRS 103"). Foreign currency revenues and expenses are measured at the historical exchange rates in effect at the time of the related transactions. The director used an exchange rate of 1.48 to translate Sterling balances into U.S. Dollars at 31 December 2015.

(o) Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, the Director is required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Director's judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are

considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The management and control of each Syndicate the Company participates on is carried out by the managing agent of that Syndicate, and the Company looks to the managing agent to implement appropriate policies, procedures and internal controls to manage each Syndicate. The critical accounting judgements and key sources of estimation uncertainty set out below therefore relate to those made by the Director in respect of the Company only, and do not include estimates and judgements made in respect of the Syndicates.

The critical judgements that the Director has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment assets, the Members have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of receivables

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the Director considers factors such as the

aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers. No provisions have been recognised at the year end.

(5) Management of Financial Risk

The Company is exposed to the following financial risks in the course of its operating and financing activities:

- Credit risk
- Liquidity risk
- Interest rate risk; and
- Foreign exchange risk

Company through failure to perform its obligations. The key areas of

exposure to credit risk for the Company result through its reinsurance programme, investments and bank deposits.

The risk of default by the Parent reinsurer is mitigated by a \$15.3m letter of credit provided by the Parent to Lloyd's (Funds at Lloyd's) to collateralise its reinsurance obligations to the Company.

The Company manages credit risk at the Corporate level by ensuring that investments and cash and cash equivalent deposits are placed only with highly rated credit institutions. The carrying amount of the Company's financial assets represents the Company's maximum exposure to credit risk.

The tables below show the credit quality of financial assets that are neither past due or impaired.

	2015 Syndicate participation \$000						
	AAA	AA	A	BBB	BBB or lower	Not rated	Total
Shares and other variable yield securities and unit trusts	-	-	-	-	-	-	-
Deposits with credit institutions	-	-	-	-	-	-	-
Reinsurer share of claims outstanding	-	965	1,653	-	1	193	2,812
Reinsurance debtors	-	35,398	2,355	-	-	1,066	38,819
Total	-	36,363	4,008	-	1	1,259	41,631

	2014 Syndicate participation \$000						
	AAA	AA	A	BBB	BBB or lower	Not rated	Total
Shares and other variable yield securities and unit trusts	86	21	-	-	-	-	107
Deposits with credit institutions	1	2	1	-	-	-	4
Reinsurer share of claims outstanding	-	741	-	-	-	-	741
Reinsurance debtors	16	17,804	17	-	-	-	17,837
Total	103	18,568	18	-	-	-	18,689

The tables below show the ageing and impairment of financial assets by class on instruments.

	2015 Syndicate participation \$000						
	Neither duenor impaired	Up to three months	Three to six months	Six months to one year	Greater than one year	Financial assets that have been impaired	Total
Shares and other variable yield securities and unit trusts	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Deposits with credit institutions	-	-	-	-	-	-	-
Overseas deposits as investments	-	-	-	-	-	-	-
Reinsurer share of claims outstanding	2,812	14	7	3	1	-	2,837
Reinsurance debtors	38,819	93	41	14	3	-	38,970
Cash at bank and in hand	-	-	-	-	-	-	-
Insurance debtors	-	-	-	-	-	-	-
Other debtors	272	-	-	-	-	-	272
Total	41,903	107	48	17	4	-	42,079

	2014 Syndicate participation \$000						
	Neither duenor impaired	Up to three months	Three to six months	Six months to one year	Greater than one year	Financial assets that have been impaired	Total
Shares and other variable yield securities and unit trusts	-	-	-	-	-	-	-
Debt securities	107	-	-	-	-	-	107
Deposits with credit institutions	-	-	-	-	-	-	-
Overseas deposits as investments	3	-	-	-	-	-	3
Reinsurer share of claims outstanding	741	-	-	-	-	-	741
Reinsurance debtors	17,804	-	-	-	-	-	17,804
Cash at bank and in hand	33	-	-	-	-	-	33
Insurance debtors	-	-	-	-	-	-	-
Other debtors	3	-	-	-	-	-	3
Total	18,691	-	-	-	-	-	18,691

At the Corporate level the Company is no exposed to significant credit risk. Consequently a sensitivity analysis for credit risk has not been presented for the Corporate.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. At the Corporate level the Company manages liquidity by continuously monitoring forecast and actual cash flows.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date of which the Company can be required to pay.

	2015 Syndicate participation \$000					
	No stated maturity	Less than 1 year	1 to 3 years	3 to 5 years	Greater than 5 years	Total
Derivatives	-	-	-	-	-	-
Deposits received from reinsurers	-	-	-	-	-	-
Creditors	-	-	9,674	-	-	9,674
Other	-	-	-	-	-	-
Total	-	-	9,674	-	-	9,674

	2014 Syndicate participation \$000					
	No stated maturity	Less than 1 year	1 to 3 years	3 to 5 years	Greater than 5 years	Total
Derivatives	-	-	-	-	-	-
Deposits received from reinsurers	-	-	-	-	-	-
Creditors	-	2	4,752	-	-	4,754
Other	-	-	-	-	-	-
Total	-	2	4,752	-	-	4,754

At the Corporate level the Company is not exposed to significant liquidity risk. Consequently a maturity profile has not been presented for the Corporate.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to the risk of interest rate fluctuations in respect of cash and cash equivalents.

The table below shows the impact of changes in interest rates on the profit or loss for the period and on the equity of the Company.

	2015 \$000	2014 \$000
Impact of 50 basis points increase on result	(10)	-
Impact of 50 basis points decrease on result	35	-
Impact of 50 basis points increase on net assets	(10)	-
Impact of 50 basis points increase on net assets	35	-

At the Company level the Company is not exposed to significant cash flow interest, consequently a sensitivity analysis for interest rate risk has not been presented for the Corporate.

Currency risk

The Company holds both assets and liabilities denominated in currencies other than Sterling, its functional currency. It is therefore exposed to currency risk as the value of the foreign currency assets and liabilities will fluctuate in line with changes in foreign exchange rates.

At the Corporate level the Company manages currency risk by ensuring that exchange rate exposures are managed within the approved policy parameters.

The table below considers financial assets and liabilities denominated in the currencies of the Company's principal foreign exchange exposures in aggregate.

Syndicate participation	2015 \$000	2014 \$000
Sterling	(590)	(324)
United States Dollar	1,768	293
Euro	528	136
Canadian Dollar	203	88
Australian Dollar	36	-
Japanese Yen	46	-

The Company has delegated sole management and control of its underwriting through each Syndicate to the managing agent of the Syndicate and it has further undertaken not to interfere with the exercise of such management and control. The managing agents of the Syndicates are therefore responsible for determining the insurance transactions to be recognised. As such, disclosures in respect of the assumptions and judgements made, and the objectives, policies and processed for managing currency risk arising from assets and liabilities are only presented for the Corporate in these financial statements.

(6) Segment Reporting

The tables below detail the Company's underwriting results before investment return by class of business.

	2015 \$000					
	Gross premiums written	Gross premium searned	Gross claims incurred	Net operating expenses	Reinsurance Balance	Total
Accident and health	8,669	8,076	(5,172)	(2,779)	(125)	-
Motor – third party liability	439	382	(216)	(113)	(53)	-
Marine, aviation and transport	8,969	7,547	(4,180)	(1,825)	(1,542)	-
Fire and other damage to property	15,582	13,126	(5,822)	(4,915)	(2,389)	-
Total	33,659	29,131	(15,390)	(9,632)	(4,109)	-

	2014 \$000					
	Gross premiums written	Gross premiums earned	Gross claims incurred	Net operating expenses	Reinsurance Balance	Total
Accident and health	6,629	3,104	(1,849)	(1,363)	108	-
Motor – third party liability	273	122	(63)	(55)	(4)	-
Marine, aviation and transport	6,614	3,703	(2,035)	(980)	(688)	-
Fire and other damage to property	12,576	6,992	(2,917)	(2,673)	(1,402)	-
Total	26,092	13,921	(6,864)	(5,071)	(1,986)	-

Included in the reinsurance balance are reinsurance commissions and profit participation of \$3k (2014: income of \$2k).

All insurance business is underwritten in the UK in the Lloyd's insurance market, which has been treated as one geographical segment for the purpose of Segmental Reporting.

(7) Investment Return

	2015 \$000	2014 \$000
Income from investments	192	95
Realised gains on investments	1	-
Unrealised loss on investments	(8)	-
<i>Investment expenses and charges</i>	(6)	-
Reinsurer share of investment return	(179)	(95)
	-	-

(8) Net Operating Expenses

	2015 \$000	2014 \$000
Acquisition costs	(8,702)	(8,121)
Change in deferred acquisition costs	323	3,789
Administrative expenses	(619)	(366)
Personal expenses	(877)	(472)
Reinsurance commissions and profit participations	9,875	5,170
Total	-	-

Net operating expenses represent the Company's share of expenses incurred directly by the Syndicate, less the recovery of these expenses from the Parent reinsurer that proportionately reinsures all of the Company's underwriting business from the Syndicate.

(9) Profit on Ordinary Activities Before Tax

This table details the charges (credits) to profit on ordinary activities before taxation in the non-technical account under other income and charges.

	2015 \$000	2014 \$000
Professional fees	100	97
Foreign exchange gain	(20)	-
Other expenses	17	32
Reinsurer reimbursements of member expenses	(176)	(189)
	(79)	(60)

Agreed fees for the audit of these annual accounts are £9,600 (2014: £4,000). The total balance payable (including fees accrued but not yet due) to the Company's auditor at 31 December 2015 was \$Nil (2014: \$14,969).

(10) Tax on Profit on Ordinary Activities

(a) Analysis of Tax Charge During the Period

This table summarises the tax charge (credit) on the Company's profit on ordinary activities during the period.

	2015 \$000	2014 \$000
Current tax:		
UK corporation tax	17	13
Foreign tax	-	-
Total current tax	17	13
Deferred tax:	-	-
Tax on profit on ordinary activities	17	13

(12) Other Financial Investments

	2015 \$000		2014 \$000	
	Market value	Cost	Market value	Cost
Shares and other variable yield securities	-	-	-	-
Debt securities and other fixed income securities	-	-	107	107
Overseas deposits			4	4
Total	-	-	111	111

All debt securities and other fixed-income securities are listed.

(b) Factors Affecting the Tax for the Period

This table summarises why the current tax charge (credit) for the period is different than the tax from applying the main U.K. corporation tax rate to the Company's profit on ordinary activities.

	2015 \$000	2014 \$000
Profit on ordinary activities before tax	79	60
Current tax at 21.5% (2014: 21.5%)	17	13
Total current tax	17	13

(c) Factors Affecting Tax Charges in Future Years

The corporation tax rate was reduced from 21% to 20% effective from 1 April 2015. The Budget on 18 March 2015 announced that the UK corporation tax rate will reduce to 19% on April 2017. These changes in the tax rate will reduce the Company's future current tax charge accordingly.

(11) Director's Compensation and Staffing

The director did not receive any compensation for his services during 2015 (2014: \$Nil).

The Company has no employees.

The Company did not have any financial investments held at 31 December 2015.

The investments held at 31 December 2014 are carried at fair value through profit and loss and have been categorised between the three levels of the fair value hierarchy that reflects the observability and significance of inputs used when establishing the fair value.

Level 1

Inputs to Level 1 fair values are quoted prices in active markets for identical assets. An active market is one in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Examples are listed debt securities in active markets or listed equities in active markets or listed deposits held with credit institutions in active markets.

Level 2

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and fair value is determined through

the use of models or other valuation methodologies. Level 2 inputs include quoted prices for similar (i.e. not identical) assets in active markets, quoted prices for identical or similar assets in markets that are not active or in which little information is released publicly, unlisted deposits held with credit institutions in active markets, low volatility hedge funds where tradeable net asset values are published.

Level 3

Inputs to Level 3 fair values are inputs that are unobservable for the asset. Unobservable inputs have been used to measure fair value where observable inputs are not available, allowing for situations where there is little or no market activity. Unobservable inputs reflect assumptions that the Society considers that market participants would use in pricing the asset and have been based on a combination of independent third party evidence and internally developed models.

The table below sets out the Company's financial investments held at fair value through profit and loss by level of hierarchy.

2014 Fair value hierarchy	Level 1 2014 \$000	Level 2 2014 \$000	Level 3 2014 \$000	Held at amortised cost 2014 \$000	Total 2014 \$000
<i>Shares and other variable yield securities</i>	-	-	-	-	-
Debt securities and other fixed income securities	21	86			107
<i>Overseas deposits</i>	1	3	-	-	4
	22	89	-	-	111

(13) Capital and Reserves

The Company had one authorised, issued, and fully paid up ordinary share with a nominal value of £1 at the balance sheet date. At 31 December this share was issued and paid.

This table reconciles the movement in the profit and loss account during the period.

	2015 \$000	2014 \$000
Profit and loss account at beginning of year	56	9
Profit for the financial year	70	47
Profit and loss account at end of year	126	56

(14) Technical Provisions

	2015 \$000	
	Provision for unearned premiums	Claims outstanding
Gross technical provisions:		
At 1 January 2015	8,461	6,882
Foreign exchange differences	(482)	(508)
Movement in provision	4,527	15,198
At 31 December 2015	12,506	21,572
Reinsurers' share of technical provisions:		
At 1 January 2015	12,236	6,882
Foreign exchange differences	(341)	(508)
Movement in provision	4,527	15,198
At 31 December 2015	16,422	21,572
Net technical provisions:		
At 1 January 2015	(3,775)	-
Foreign exchange differences	(141)	-
At 31 December 2015	(3,916)	-

This table summarises the gross and reinsurers' share of claims outstanding by category.

	2015 \$000	
	Gross	Reinsurers' share
Claims notified	5,778	5,778
Claims IBNR	15,794	15,794
Total	21,572	21,572

(15) Other Creditors

	2015 \$000	2014 \$000
US federal excise taxes and other taxes payable	-	-
Amounts owed to associated and group companies	-	42
Amounts recoverable from Syndicate	-	-
Amounts owed to others	1,232	435
Total	1,232	477

(16) Net Portfolio Investment

	At 1 January 2015 \$000	Change in Market Value \$000	Cash Flow \$000	At 31 December 2015 \$000
Movement in net portfolio investment				
Shares and other variable yield securities	-	-	-	-
Debt securities and other fixed income securities	107	-	(107)	-
Overseas deposits	4	-	(4)	-
	111	-	(111)	-

	At 1 January 2014 \$000	Change in Market Value \$000	Cash Flow \$000	At 31 December 2014 \$000
2014 Movement in net portfolio investment				
Shares and other variable yield securities	186	-	(186)	-
Debt securities and other fixed income securities	794	-	(687)	107
Overseas deposits	23	-	(19)	4
	1,003	-	(892)	111

(17) Funds at Lloyd's

The Company's Parent company proportionately reinsures all of the Company's underwriting results from the Syndicate and provided a \$15.3 million letter of credit to Lloyd's to collateralise its reinsurance obligations to the Company.

(18) Immediate and Ultimate Parent

The Company's immediate and also its ultimate parent is the General Insurance Corporation of India, a company registered in India.

(19) Related Parties

The Parent Company, General Insurance Corporation of India (wholly owned by the Government of India), proportionally reinsures all of the Company's Underwriting results from the Syndicates.

(20) Contingent Liabilities**Legal Proceedings**

The Syndicate and wider group are regularly involved in various legal proceedings in the ordinary course of their insurance business. The director believes the outcome of these proceedings will not have a material adverse effect on the Company's financial position or future profitability.



आपत्काले रक्षिष्यामि

GIC Re

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