

Ref. No.: GIC Re/SE/AGM/17-18

Date: September 6, 2018

To,
The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street
Mumbai - 400001
Scrip Code: (BSE – 540755/ NSE – GICRE)

The Manager
Listing Department
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot C/1,
G Block, Bandra Kurla Complex
Mumbai - 400051

Dear Sir/Madam,

Sub: Annual Report for the financial year 2017-2018

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report for the Financial Year 2017-2018 which was approved and adopted in the 46th Annual General Meeting of our Corporation which was held on September 5, 2018.

You are requested to take note of the above and arrange to bring this to the notice of all concerned.

Thanking You

Yours sincerely

For General Insurance Corporation of India



(Suchita Gupta)
Company Secretary & Compliance Officer



भारतीय साधारण बीमा निगम
(भारत सरकार की कंपनी)

General Insurance Corporation of India

(Government of India Company)

CIN NO.: L67200MH1972GOI016133 IRDA REGN No.: 112

“सुरक्षा”, 170, जे. टाटा रोड, चर्चगेट, मुंबई - 400 020.

“SURAKSHA”, 170, J. Tata Road, Churchgate,
Mumbai - 400 020. INDIA Tel.: +91-22-2286 7000
www.gicofindia.in

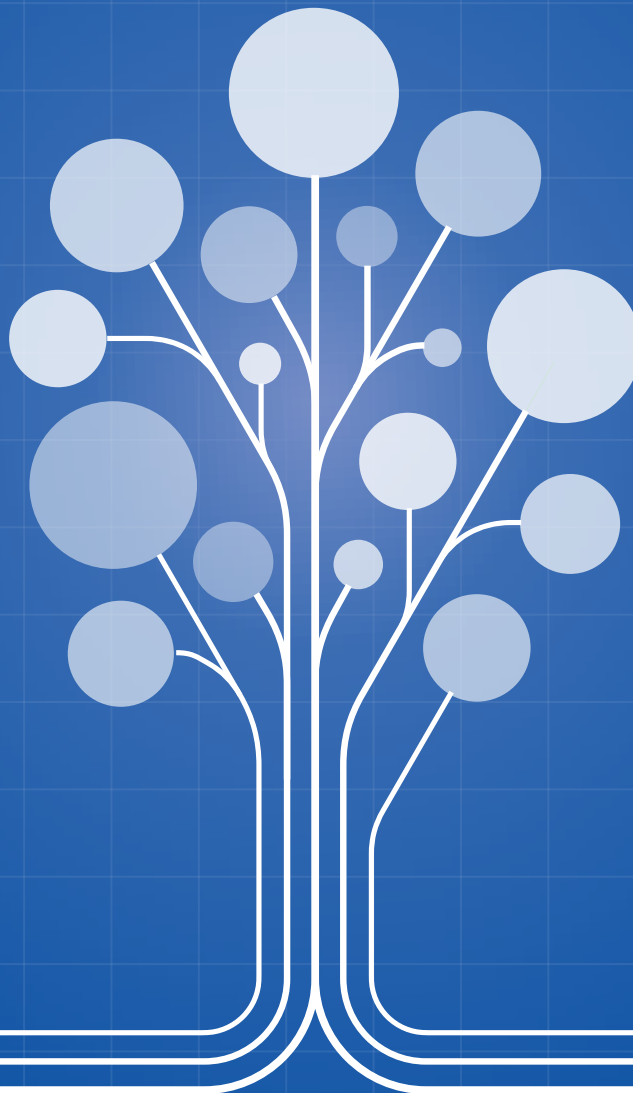


एक कदम स्वच्छता की ओर

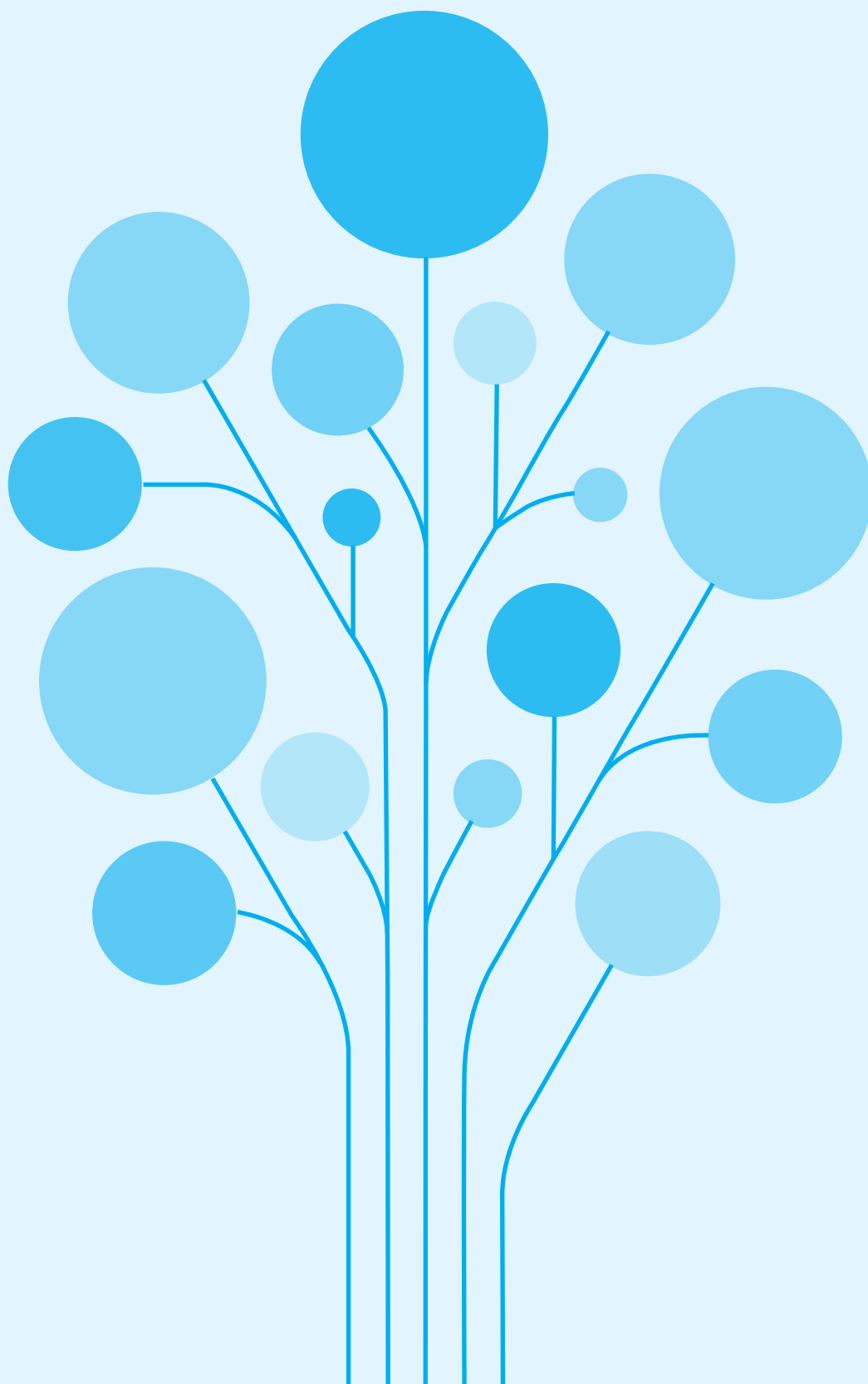


आपत्काले रक्षिष्यामि
GIC Re

The Indian Reinsurer with Global Footprints



46th Annual Report 2017-18





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

Awards for Achievements

Award: CEO of the year: Reinsurance
Awarded by: SKOCH, **Year:** 2017



GIC Re Chairman-cum-Managing Director, Alice G. Vaidyan, receives the award for CEO of the Year: Reinsurance

Award: Dun & Bradstreet PSU award for Reinsurance
Awarded by: Dun & Bradstreet, **Year:** 2017



GIC Re Director and General Manager, Segar Sampathkumar, receives the Dun & Bradstreet PSU award for Reinsurance at a ceremony in July 2017

Award: SKOCH Award of Merit and Award for Project Agriculture Insurance; **Awarded by:** SKOCH, **Year:** 2017



GIC Re General Manager, B.N. Narasimhan and Deputy General Manager, Charles Asirvatham receive the SKOCH Award of Merit and Award for Project Agriculture Insurance at a ceremony in June 2017

Award: ASSOCHAM Award for Reinsurance
Awarded by: ASSOCHAM, **Year:** 2017



GIC Re General Manager, D.R. Waghela, receives the ASSOCHAM Award for Reinsurance at a ceremony in June 2017

Award: The Maritime Standard Marine Insurer of the Year Award
Awarded by: The Maritime Standard Awards, Middle East and Indian subcontinent, **Year:** 2017



GIC Re Assistant General Manager, Dubai Branch, Sajan Varghese, receives The Maritime Standard Award for Marine Insurer of the Year at a ceremony in October 2017

Award: Reinsurer of the Year Award
Awarded by: Dun & Bradstreet, **Year:** 2018



GIC Re General Manager, Usha Ramaswamy, receives the Reinsurer of the Year Award from Dun & Bradstreet at a ceremony on 20th February, 2018

CONTENTS



CORPORATE OVERVIEW

Chairman's Message	04
Corporate Information	06
Corporate Chronicle	08
Board of Directors	10
Management	14

REPORTS

Directors' Report	16
Corporate Governance Report	51
Corporate Social Responsibility Report	69
Management Discussion and Analysis Report	72
Management Report	83
Business Responsibility Report	85

FINANCIAL STATEMENTS

Standalone Financial Statements

Independent Auditors' Report	94
Comments of the Comptroller and Auditor General of India	100
Revenue Account	102
Profit & Loss Account	106
Balance Sheet	108
Schedules forming part of Financial Statements	109
Significant Accounting Policies	137
Notes forming Part of Accounts	140
Summary of Financial Statements	165
Performance Ratio	167
Cash Flow Statement	171
Balance Sheet Abstract and Company's General Business Profile	173
Performance Highlights	174

Consolidated Financial Statements

Auditors' Report	176
Comments of the Comptroller and Auditor General of India	182
Revenue Account	184
Profit & Loss Account	188
Balance Sheet	190
Schedules forming part of Consolidated Financial Statements	191
Significant Accounting Policies on Consolidated Financial Statements	220
Notes forming Part of Consolidated Financial Statements	226
Consolidated Cash Flow Statement	239

ANNUAL REPORT OF SUBSIDIARIES

GIC Re South Africa Ltd	241
GIC Re, India, Corporate Member Limited	289
Notice of Annual General Meeting	320
Proxy Form	



Alice G. Vaidyan, Chairman cum Managing Director

Dear Shareholders,

I have great pleasure in welcoming you to the 46th Annual General Meeting of your Company.

The year under review has been an eventful year for your company. Your company has been successful in maintaining the growth momentum of the previous year, scaling new highs in the global reinsurance landscape, while reinsurers worldwide including your company were faced with major natural catastrophes. Despite the challenging circumstances, your company succeeded in ensuring that performance has not been impacted and declaring the highest ever dividend for the company.

Your company was listed in the Stock Exchanges on 25th October 2017 and has been ranked as 47th among top 500 companies by market capitalization. It is of immense pleasure

to state that your company has received approval to set up its own syndicate in the Lloyds of London during the year. The syndicate is operational from April 2018.

Macroeconomic overview

Financial Year 2018 has been eventful for the Indian economy with the Government initiating many structural measures including Goods and Service Tax, Insolvency and Bankruptcy Code, Direct Benefit Transfer, Make in India initiative, adoption of Aadhaar as unique identification number etc. On the growth front, FY 2018 witnessed real GDP growth of 6.7 % as per the fourth quarter GDP estimates for FY 2018 released by the Central Statistics Office (CSO) on 31st May 2018. Though the GDP growth for FY 2018 was lower than the 7.1% growth registered during FY 2017, the growth momentum picked up towards the later part of FY 2018.

The world GDP growth is estimated at 3.8% in 2017 and is expected to improve further with growth picking up across major economies.

Industry overview

The Indian non-life insurance industry maintained robust growth during FY 2018 and reported 17.5% increase in Gross premium, while life insurance industry registered a growth of 10.8% for new business premium. The non-life insurance premium is expected to grow further in view of the increase in penetration of Agriculture insurance, new Government initiatives on the national health insurance scheme, pickup in economic growth etc. Apart from this, technology is expected to make larger impact in the industry going forward.

Indian insurance industry also witnessed listing of 3 insurance companies apart from the listing of your company during 2017-18. More players are expected to approach the capital market in the near future. This is expected to improve the corporate governance standards of the industry and set new bench marks for transparency.

Global non-life reinsurance premium reached USD 170 Bn in 2017 reflecting a growth of 3% in real terms. Natural

Catastrophes across the world posed challenges to non-life reinsurers globally with losses for the hurricane season alone estimated around USD 136 Bn. However, the reinsurance industry could absorb the losses without any significant impact on the capacity.

Financial Performance

Your company continued on its robust growth in FY 2018 reporting higher premium & net profit. The Gross premium and net profits grew during by 24% & 3% during FY 2018 to ₹ 41,799 Crore and ₹ 3,233 Crore respectively. While Agriculture portfolio continued its higher growth, other classes of business also reported growth during the year. The underwriting results for the year were impacted due to major catastrophic events across the world and accordingly underwriting loss for FY 2018 increased to ₹ 1,497 Crore as against ₹ 606 Crore in the previous year. Your company continued its leadership in the domestic market which contributed 71% of the premium income for FY 2018. Your company has a Net worth (including fair value of shares) of ₹ 51,360 Crore and total assets ₹ 110,227 Crore, while the Solvency ratio is 1.72.

I am also pleased that the investment performance of your company during FY 2017-18 has been very strong with investment income grown by 15% to ₹ 5,215 Crore providing a mean yield of 12%. The net non-performing assets percentage declining from 0.80% to 0.56% during the period.

With the sound financial performance, your company could declare the highest ever dividend of 13.5 per share and your board of directors has recommended issue of one bonus share for each existing share.

I am pleased to inform you that the Global rating agency A M Best reaffirmed the Financial Strength Rating of "A- (Excellent)" and issuer credit rating of "a-" of the Corporation in February 2018 for the 11th continuous year. Your company is ranking 10th largest international reinsurer group based on Gross Written premium though the formal announcement from the rating agency is still awaited.

Future Outlook

The low penetration of insurance in the domestic market, expansion in rural economy, revival in the private investments, Governmental initiatives like Ayushman Bharat etc would provide continued growth opportunity for the sector. Having maintained its leadership in the domestic reinsurance market after opening up of the market last year, your company is well positioned to take advantage of the growth in the domestic market.

The three operating branches of your company has been well established in their respective geographical areas and are geared up to scale up operations. The joint ventures and subsidiaries are consolidating their positions and gaining traction for the next level of growth. Your management team is constantly looking at opportunities and evaluating options for increasing footprints in new geographies.

The increase in number and scale of natural catastrophes across the world is expected to have positive effect on the insurance penetration and gap in coverage. The technological and economic evolution globally, has been opening up new areas of risk such as Cyber security, climate change etc. throwing opportunities for insurers and reinsurers. World economies are getting back on to the growth track and these cumulatively provide a better outlook for our industry globally.

I assure you that your company has been fully geared up to support the Indian and world insurance industry and would continue to focus to achieve underwriting surplus in the nearest future. I take this opportunity to thank all Stakeholders, Board members, Customers, intermediaries and colleagues for their continued support and co-operation in achieving yet another milestone.

Alice G. Vaidyan

Chairman-cum-Managing Director

DIRECTORS

Smt. Alice G. Vaidyan	Chairman cum Managing Director
Shri Ravi Mital	W.e.f. 06.07.2017
Shri Anil Kumar Khachi	Upto 06.07.2017
Smt. Usha Sangwan	
Shri Gopalan Srinivasan	W.e.f. 14.08.2017
Shri Atanu Kumar Das	W.e.f. 29.09.2017
Shri Amarendra Pratap Singh	W.e.f. 29.09.2017
Shri V. Ramasamy	W.e.f. 29.09.2017
Shri G. B. Pande	W.e.f. 29.09.2017
Shri Segar Sampathkumar	Upto 30.09.2017
Shri Y. Ramulu	W.e.f. 20.06.2017 and upto 31.05.2018
Smt. Sashikala Muralidharan	W.e.f. 27.12.2017

MANAGEMENT

Chairman cum Managing Director

Smt. Alice G. Vaidyan

Director & General Manager

Shri Y. Ramulu Upto 31.05.2018
Smt. Sashikala Muralidharan W.e.f. 27.12.2017

General Managers

Shri Dinesh R. Waghela Upto 31.05.2018 -
Transferred to Oriental Insurance Company Ltd.
Shri B. N. Narasimhan Upto 10.05.2018 -
Transferred to National Insurance Company Ltd.
Upto 30.06.2018
Shri Pauly Sukumar N.
Smt. Usha Ramaswamy
Shri V. C. Jain
Shri Sushil Kumar
Shri Deepak Prasad W.e.f. 29.06.2017
Shri Devesh Srivastava W.e.f. 29.06.2017

Chief Vigilance Officer Appointed Actuary (Non-Life)

Shri Ravi Chaudhary
Smt. Priscilla Sinha

Deputy General Managers

Smt. Reena Bhatnagar
Smt. Lakshmikala Raghupathy
Smt. Madhulika Bhaskar
Shri Deepak Godbole
Shri S. N. More
Shri Charles G. Ashirvatham Upto 22.03.2018 (Deputation to GIC Re South Africa Ltd.)
Smt. Suchita Gupta
Smt. Girija Subramanian
Shri Satyajit Tripathy
Shri N. Ramaswamy
Smt. Jayashree Ranade
Ms. Blessy Sequeria
Shri Uttam Kumar Sharma W.e.f. 29.12.2017
Smt. P.G. Manisha W.e.f. 29.12.2017
Shri Rajesh Pawar W.e.f. 29.12.2017

Company Secretary

Smt. Suchita Gupta

Statutory Auditors	<p>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.</p> <p>M/s. Samria & Co. Chartered Accountants 2E, Court Chambers, 35, New Marine Lines, Behind Aayakar Bhavan, Mumbai - 400 020.</p>
Secretarial Auditor	SVVS & Associates, Company Secretaries LLP A- 403, Kukreja Centre, Sector 11, CBD Belapur, Navi Mumbai - 400 614.
Registrar & Transfer Agent	Karvy Computershare Pvt. Ltd. Karvy Selenium, Plot No 31 & 32, Financial District Nanakramguda, Gachibowli, Hyderabad - 500 032. Tel. No.: (040) 6716 2222/3321 1000 E-mail: einward.ris@karvy.com Website: www.karvycomputershare.com
Stock Exchanges	<p>BSE Ltd. P.J. Towers, Dalal Street Mumbai - 400 001.</p> <p>National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.</p>
Bankers	Bank of India Ground Floor, Eros Theatre Building Jamshedji Tata Road, Churchgate, Mumbai - 400 020.
Registered Office	"Suraksha", 170, J.T. Road, Churchgate, Mumbai - 400 020 (India). Tel.: +91 22 2286 7000 Email: investors.gic@gicofindia.com Website: www.gicofindia.com
CIN	L67200MH1972GOI016133
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 of India 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

Sr.No.	Date and Year	Event
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 1st 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'
38	21 st April, 2017	GIC Re opened IFSC Insurance office in GIFT City
39	25 th October, 2017	GIC Re got listed on BSE Limited and National Stock Exchange of India Limited
40	1 st April, 2018	GIC Syndicate 1947



Board of Directors

(Left to Right): Shri Atanu Kumar Das, Shri Y. Ramulu, Shri Amarendra Pratap Singh, Smt. Alice G. Vaidyan, Shri Ravi Mital, Smt. Usha Sangwan, Shri G. Srinivasan, Shri V. Ramasamy, Shri G. B. Pande



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

Alice G. Vaidyan is the Chairman-cum-Managing Director of our Corporation. She holds post graduate degree in English language and has trained at Harvard Business School, Boston, USA. Ms. Vaidyan is a Fellow of the Insurance Institute of India.

Ms. Vaidyan is the first lady officer to assume the post of Chairman-cum-Managing Director of our Corporation and the first lady chairman-cum-managing director in the public-sector insurance industry (non-life) under Ministry of Finance in India.

She has over 30 years of experience in the Indian insurance and reinsurance industry.

She has won several national and international awards. Business Today recognized her as one of the 30 most powerful women in Indian business in 2016 as well as in 2017. FORTUNE India announced Ms. Alice G Vaidyan, as the 7th most powerful women in Business in the November 2017 issue on "Most Powerful Women in Business".

Ms. Vaidyan is on the Boards of Life Insurance Corporation of India, ECGC Limited, Kenindia Assurance Co. Ltd., Indian Register of Shipping, GIC Housing Finance Ltd., and others. She is also a member of the Council of Asian Reinsurance Corporation, Bangkok and International Insurance Society, USA.



Shri Ravi Mital, *Additional Secretary, Department of Financial Services, Ministry of Finance (DIN: 06507252)*

Ravi Mital is a Non-Executive Director of our Corporation. He holds a bachelor's degree in engineering (mechanical engineering). Mr. Mital, Additional Secretary, Department of Financial Services, Ministry of Finance, is a 1986 batch Indian Administrative Services Officer of Bihar Cadre. Previously, he has worked as Principal Secretary (Finance), Government of Bihar.



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

Usha Sangwan is a Non – Executive Director of our Corporation. She is an ex-officio Director till she is the managing director of Life Insurance Corporation of India. She holds a post graduate degree in economics from Panjab University, a post graduate diploma in Human Resource Management from Indira Gandhi National Open University and is a licentiate from Insurance Institute of India. She has experience of 36 years in insurance industry and is the first woman managing director of Life Insurance Corporation of India. She joined Life Insurance Corporation of India as Direct Recruit Officer in 1981.

She has been recognized as a woman leader in business including by the Forbes Magazine in its list of 50 most powerful business women in Asia in 2015 and by Business Today in its list of most powerful women in Indian business in 2016. She was appointed as a Director with effect from 6th April, 2016.



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

G. Srinivasan is a Non-Executive Director of our Corporation. He holds a bachelor's degree in commerce from the University of Madras. He is a member of The Institute of Company Secretaries of India. He is a member of The Institute of Cost Accountants of India and a fellow of the Federation of Insurance Institutes. He is an ex-officio Director until he is the chairman of GIPSA.

He is the recipient of the India Insurance Summit - Lifetime Achievement Award - 2017 awarded by Quest Conferences, R H Patil Award for Excellence in Financial Services - 2017 awarded by Skoch Consultancy Services, News Ink National Awards - Legend CMD of the Year - 2016 awarded by News Ink, Asia Insurance Industry Awards - Personality of the Year Award - 2016, Lokmat BFSI Awards for Outstanding Contribution to Insurance Sector - 2015 awarded by Lokmat, and Financial Inclusion and Deepening Award for Excellence in Non-Life Insurance - 2014 awarded by Skoch.

He is the chairman of the General Insurance Council, the Associated Chambers of Commerce and Industry of India and Assocham's National Council for Insurance. He has also been the Chairman-cum-Managing Director of United India Insurance Company Limited and is presently the Chairman-cum-Managing Director of New India Assurance Company Limited.



Shri Atanu Kumar Das, *Executive Director, Bank of India* (DIN: 07758968)

Atanu Kumar Das is an Independent Director of our Corporation. He holds a Master's degree of arts in Analytical and Applied Economics from Utkal University. He has participated in the programme on 'Managing Costs to Manage Profitability' held at ASCI, Administrative Staff College of India, Bella Vista, Hyderabad. He has experience of working in public sector banks. Previously, he has worked at Vijaya Bank.



Shri G. B. Pande, *Independent Director* (DIN: 01174568)

G.B.Pande is an Independent Director of our Corporation. He holds a master's degree in law from Lucknow University. He is currently retired from service. Previously, he has worked for the Life Insurance Corporation of India and as the Insurance Ombudsman for the State of Uttar Pradesh and Uttaranchal.



Shri Amarendra Pratap Singh, *Independent Director (DIN: 01725925)*

Amarendra Pratap Singh is an Independent Director of our Corporation. He holds a Master's degree in arts from University of Allahabad. He also holds post graduate diploma in human resource management from Indira Gandhi National Open University. Previously, he has worked at LIC HFL Care Homes Limited. At present, he is a director in Ballarpur Industries Limited.



Shri V. Ramasamy, *Independent Director (DIN: 00490988)*

V. Ramasamy is an Independent Director of our Corporation. He holds a bachelor's degree in science from University of Madras. He holds a certificate of membership of the Institute of Chartered Accountants of India. He has experience in the insurance industry. Previously, he was the Chairman and Managing Director of National Insurance Company Limited. At present, he is a Director in GIC Housing Finance Limited.



Shri Y. Ramulu, *Whole Time Director & General Manager (DIN: 07234450)*

Y. Ramulu is a Whole-time Director of our Corporation. He holds a bachelor's degree in commerce, bachelor's degree in communications and journalism and a master's degree in business administration from Osmania University, Hyderabad. He is an associate of the Insurance Institute of India. He has completed the certificate program in Performance Management Systems offered by T.V. Rao Learning Systems Private Limited.

He was appointed as a Director with effect from 20th June, 2017 and has been allocated inter alia office services department, corporate social responsibility and offices.



Smt. M. Sashikala, *Whole Time Director & General Manager (DIN: 08036523)*

M. Sashikala, a Graduate in commerce from University of Madras, ICWAI Intermediate and an Associate of Insurance Institute of India, began her career in the insurance industry in The New India Assurance Co. Ltd in December 1983. She has served The New India Assurance Co. Ltd for nearly 27 years in several executive and leadership positions at field offices and Corporate Office, Mumbai. Her experience spans finance, Information Technology, customer relationship, and driving growth in retail broker and bancassurance marketing channels.

She also had the privilege of serving United India Insurance Co. Ltd at the Corporate office, ushering in a slew of customer centric initiatives. She was elevated and posted in National Insurance Co. Ltd, where she served as the CISO, CFO and led the IT team in the implementation of the end to end, tightly integrated, ERP comprising of core insurance solution, CRM, DMS, Financials, HRMS etc. She also had the privilege in serving the Insurance Information Bureau of India, an organisation promoted by IRDAI, on various committees from time to time.



Smt. Alice G. Vaidyan
Chairman-cum-Managing Director



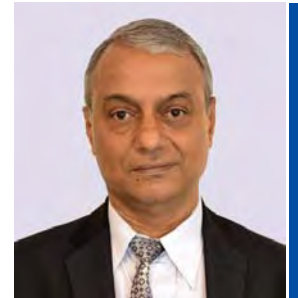
Shri. Y. Ramulu
Director & General Manager



Smt. Sashikala Muralidharan
Director & General Manager



Shri Dinesh R. Waghela
General Manager



Shri B.N. Narasimhan
General Manager



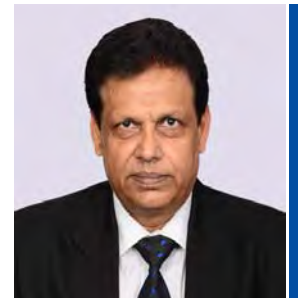
Shri Pauly Sukumar N.
General Manager



Smt. Usha Ramaswamy
General Manager



Shri V.C. Jain
General Manager



Shri Sushil Kumar
General Manager



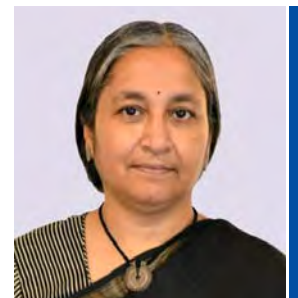
Shri Deepak Prasad
General Manager



Shri Devesh Srivastava
General Manager



Shri Ravi Chaudhary
Chief Vigilance Officer



Smt. Priscilla Sinha
Appointed Actuary (Non-Life)



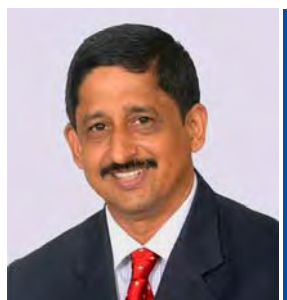
Smt. Reena Bhatnagar
Deputy General Manager



Smt. Laxmikala Raghupathy
Deputy General Manager



Smt. Madhulika Bhaskar
Deputy General Manager



Shri Deepak Godbole
Deputy General Manager



Shri S.N. More
Deputy General Manager



Shri Charles G. Ashirvatham
Deputy General Manager



Smt. Suchita Gupta
Deputy General Manager



Smt. Girija Subramanian
Deputy General Manager



Shri Satyajit Tripathy
Deputy General Manager



Shri N. Ramaswamy
Deputy General Manager



Smt. Jayashree Ranade
Deputy General Manager



Ms. Blessy Sequeria
Deputy General Manager



Shri Uttam Kumar Sharma
Deputy General Manager



Smt. P.G. Manisha
Deputy General Manager



Shri Rajesh Pawar
Deputy General Manager

To the Members,

The Directors have pleasure in presenting the Forty Sixth Annual Report on the working and affairs of the Corporation alongwith the audited statements of account for the year ended 31st March, 2018.

FINANCIAL RESULTS

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

	(₹ in Crore)			2017-18	2016-17
1. Gross premium	41,799.37	33,585.44	10. Interest, Dividends & Rents (net) and Profit on sale of Investments	1,561.14	1,531.70
2. Net Premium	37,634.46	30,174.56	11. Other Income less Other Outgo	-52.25	-20.30
3. Net Earned Premium	38,096.05	26,714.90	12. Reserve for Doubtful Debts and Investment including Amortization of Investments Written off and diminution in the value of investments written off	174.10	333.72
4. Net Incurred Claims	32,953.55	21,646.41	13. Profit before Tax (9+10+11-12)	3,668.25	3,623.86
	86.50	81.00	14. Provision for tax including deferred taxes	434.67	496.19
5. Net Commission % to Earned Premium	6,370.15	5,404.40	15. Profit after Tax (13-14)	3,233.58	3,127.67
	16.70	20.20			
6. Operating Expenses and Other Outgo less Other Income	269.77	270.56			
7. Investment Income Apportioned to Revenue less expenses	3,830.88	3,052.65			
8. Premium Deficiency	0	0			
9. Total Profit/Loss (-) (3+7-4-5-6-8)	2,333.46	2,446.18			

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

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

(Obligatory sessions from Domestic Insurance Companies reduced from 10% to 5% w.e.f. 1st April, 2013 vide IRDA/NL/RI/41/2012-13 date 3rd March, 2013)

DIVIDEND & DIVIDEND DISTRIBUTION POLICY

The Board of Directors at its meeting held on 25th May, 2018, recommended a Dividend of ₹ 13.5 per share of Face Value ₹ 5 each (i.e. 270% of paid-up equity share capital) for the year 2017-18 as against ₹ 11.65 per share of Face Value ₹ 5 each (i.e. 233% of paid up equity share capital) in 2016-17. The final dividend shall be paid to the Members, whose name appear in the Register of Members as on 14th July, 2018.

As the Government of India holds 85.78% stake in the

Corporation, in terms of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the dividend distribution policy of the Corporation is governed by the Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) issued by Department of Investment & Public Asset Management (DIPAM) F. No. 5/2/2016-Policy dated 27th May 2016.

The Corporation has no unpaid and unclaimed dividend in the FY 2017-18.

BONUS SHARE:

The Board of Directors in their meeting held on 25th May, 2018 have recommended the issue of Bonus shares in the ratio of 1:1 i.e. 1 (one) equity share of ₹ 5/- each for every 1 (one) existing equity share of ₹ 5/- each to the shareholders of the Corporation. The bonus shares shall be allotted to the Members, whose name appear in the Register of Members as on 14th July, 2018.

CAPITAL AND FUNDS

Capital and Funds of the Corporation stood at ₹ 74,347.78 crore as on 31st March, 2018 as against ₹ 59,628.50 Crore in the previous year, the details of which are given below:

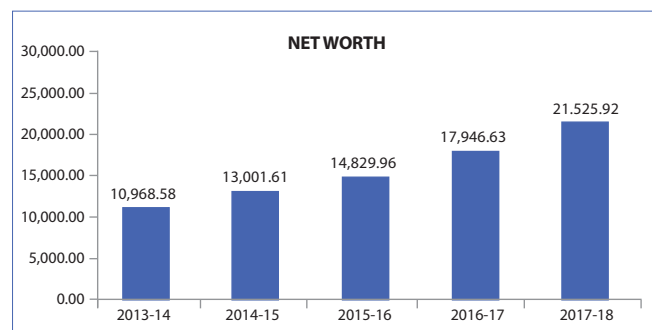
(₹ in Crore)

	As on 31.03.2018	As on 31.03.2017
Shareholders' Funds (Net Worth)		
Paid up Capital	438.60	430.00
General Reserve	16,323.98	14,402.30
Profit & Loss a/c*	3,233.67	3,127.75
Share Premium Account	1,544.07	0.00
Total	21,540.32	17,960.05
Less: Deferred Tax Assets	14.40	13.43
Net worth	21,525.92	17,946.63
Policyholders Fund	52,821.86	41,681.87
Total Funds	74,347.78	59,628.50

*Profit & loss account ₹ 3233.58 crore (Previous year ₹ 3127.67 Crore) without making adjustment for dividend, dividend distribution tax.

Net worth (Shareholders Funds) for the last 5 years

(₹ in Crore)



ASSETS

Total assets of the Corporation were ₹ 1,10,226.98 Crore as on 31st March, 2018 as compared to ₹ 94,948.62 Crore as on 31st March, 2017.

CONSOLIDATED FINANCIAL STATEMENT

Provisions regarding Financial Statements are laid down under Section 129 of the 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

Global rating agency A M Best reaffirmed the Financial Strength Rating of "A- (Excellent)" and issuer credit rating of "a-" of the Corporation in February 2018. The outlook of these credit ratings is Stable. The rating reflects GIC Re's solid risk-adjusted capitalization, its balance sheet strength, which A.M. Best categorizes as very strong, as well as its adequate operating performance, favorable business profile and appropriate enterprise risk management.

CARE Ratings Limited (formerly known as Credit Analysis & Research Limited) reaffirmed AAA (In) Claims Paying Ability rating for the Corporation in March, 2018. The rating reflects the Corporation's strategic importance as the dominant Indian reinsurer, good solvency position and comfortable liquidity profile.

GIC Re is ranked the 12th largest international reinsurer group by A M Best based on Gross Written Premium in year 2016 (14th in previous year) and also 12th by Standard & Poor's on Net Reinsurance Premium written in year 2016 (18th in previous year).

SOLVENCY RATIO

The Solvency Margin of the Corporation as on 31st March, 2018 stood at 1.72 as against 2.40 in the previous year.

INVESTMENTS

The book value of the investment of the Corporation in India (representing investment, loans & deposits) amount to ₹ 47,816.52 Crore as on 31st March, 2018 as against ₹ 39,126.27 Crore in the previous year. The Investment Income of ₹ 5,215.26 Crore were apportioned to Policy Holder & Share Holder as under:

(₹ in crore)

	2017-18	2016-17
Apportioned to Policyholders	3,705.29	3,006.88
Apportioned to Shareholders	1,509.97	1,508.73

The mean yield on funds with profit on sale of investments stood at 12.0% (Previous year 12.3%). The net NPA% (non-performing Assets) was at 0.56% (Previous year 0.78%).

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 ₹ 438.60 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.

"ART/Structured Solutions Contract" (Retro Programme):

GIC Re had arranged ART Retro protection programme from 1st October, 2001 till 31st May, 2014 followed by Structured Solution Contract from 1st June, 2014 till 31st May, 2017 for covering risks from all classes of business, as per agreed terms and conditions. The ART Contract was not renewed with effect from 31st May, 2014.

The final closure of the ART contract was effected during the third quarter of 2017-18. The payment of the Gross Balance as on 30th November, 2017 relieved the Reinsurer of all outstanding and future liabilities. Upon closure of ART, any upward revision in the claims position will be on GIC Re's Net.

The Structured Solution Contract is not renewed effective 1st June, 2017. GIC Re and the Reinsurers will maintain all contractual rights and obligations arising out of the contract and towards statutory dues, till the final closure at a mutually agreed date after both parties agree to the net balance quantum.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186(4) of the Companies Act, 2013 (the Act) requiring disclosure in the financial statements of the full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security are proposed to be utilised by the recipient of the loan or guarantee or security are not applicable to the Corporation.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND ITS FUTURE OPERATIONS

There are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of future operations of the Corporation.

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 assessment with the assistance of the Risk and Mitigation Plan Owners (RMOs), primarily Scale V level officers, where new risks are brought for discussion and thereafter the entire risk universe is re-calibrated with the objective of prioritization. During the exercise, RMOs also propose controls/mitigation plans, which post deliberations are implemented. The department keeps conducting periodic review of the risk universe and checking the control effectiveness and keeps the Management and Board ERM Committees duly informed of developments and deviations.

ERM department has got a customized e-GRC software solution in place, viz. GICRiskPro. 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) which 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. Teams under BCP have been adequately trained as to their specific responsibilities under the Plan with an aim to create awareness to reinforce the Business Continuity culture and refresh the importance of the on-going Business Continuity Exercises.

During the year under review, a neutral Third-Party Consultant was appointed for carrying out the Stress Test Exercise of GIC Re for the Financial Year 2017-18 based on financial data as on 31st March, 2017. The Stress Test Exercise evaluated scenarios of significant adverse threats to the future financial condition and found it to be adequately resilient.

Standard Operating Procedures (SOP) for two key functions of the Corporation viz: Reinsurance and Investment and their related accounting activities have been duly documented. ERM department works towards ensuring strict compliance.

An Anti-Fraud Policy has been put in place which covers prevention, identification, investigation and reporting of frauds. Corporation has declared 'Zero Tolerance' to any non-compliance to the terms and conditions of the Anti-Fraud policy.

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORTING

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

The CSR Policy may be accessed on the Corporation'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 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 2017-18 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 Secretaries LLP to conduct Secretarial Audit for the financial year 2017-18.

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 Corporation is annexed herewith as **Annexure III** to this Report.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Corporation has annexed to this report Annexure IV, a certificate obtained from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 ₹ 3451.52 Crore
- ii) Outgo ₹ 3792.03 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 ₹ 637,871/-, ₹ 50,813,348/- and ₹ 83,144,111/- 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 31st MARCH, 2018

Class I	- Officers	494
Class III	- Clerical Employees	74
Class IV	- Sub-Staff	13
TOTAL		581

II. Composition of Scheduled Castes and Scheduled Tribes in the employee Strength

Cadre	Total Employee Strength	Composition			
		SC	%	ST	%
Officers	494	76	15.38	28	5.67
Clerical	74	19	25.67	10	13.51
Sub-Staff	13	03	23.08	01	7.69
Total	581	98	16.87	39	6.71

III. 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. Special Inhouse training programme also conducted for SC/ST employees on reservation policies in order to enhance their knowledge on reservation policies. The Corporation also organizes online pre-recruitment trainings 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 Corporation has been employing women employees in various cadres within its office. The Corporation 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 2017-18 and hence no complaint is outstanding as on 31st March, 2018 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 at 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 Financial Standing Order (FSO) was carried out.

In-house quarterly journal KSHITIJ was published regularly. It was also made available on Corporation'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 Information Technology Management Group and certificates were given to Vigilance Department and Office Services 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. Out of 563 personnel of GIC Re, 156 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.

GIC's Liaison office, New Delhi and Head Office at Mumbai were inspected by Joint Director, Ministry of Finance respectively on 25th April, 2017 and 10th October, 2017 to take stock of Implementation of Official Language in these offices.

Officials of GIC have attended all Town Official Language Implementation Committee (TOLIC) meetings and participation was assured in various programmes organized under Town Official Language Implementation Committee (TOLIC) by its members.

Official Language Department of GIC was awarded II prize for Hindi In-house magazine KSHITIJ by Town Official Language Implementation Committee (TOLIC). Hindi Implementation in GIC Re was awarded by Aashirwad Sanstha, Mumbai and Prabandhan Vikas Sanstha, New Delhi.

VIGILANCE

The Vigilance Department of the Corporation is headed by a Chief Vigilance Officer (CVO) 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 Corporation, 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 made for improvement of systems and procedures of the Corporation. 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 organizations.

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 Corporation.

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 2017-18, M/s Mayra & Khatri were re-appointed as Internal Auditors for Reinsurance Operations and Business Accounts and M/s S.K. Patodia & Associates were re-appointed as Internal Auditors for Investment Operations and other departments.

The Internal Audit Department also appoints Internal Auditors for foreign branches of GIC Re in London, Dubai and Malaysia, representative office in Moscow and International Financial Service Centre Insurance Offices (IIO) at GIFT City. The Internal Audit of London Branch, Malaysia Branch and GIFT City IIO was conducted by GIC Re H.O. officials for FY 2017-18. The Internal Audit Department also conducted audit of Liaison Offices at Delhi and Chennai for FY 2017-18.

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

1. Secretarial Audit
2. RTI Audit
3. Audit of FAIR Nat CAT Pool
4. Audit of Indian Nuclear Insurance Pool
5. Audit of Indian Market Terrorism Risk Insurance Pool

Internal Audit Department also liaisons with Comptroller &

Auditor General of India (CAG) and other departments for matters relating to CAG audit. The status of Draft Paras (DPs) and Inspection Reports (IRs), issued by Comptroller & Auditor General of India (CAG), is placed before the Board and the Audit Committee of the Board from time to time.

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 2017-18. 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.

RTI ACT, 2005

The Corporation has in place the stipulated structure to implement the RTI Act 2005, in the Corporation. The setup is headed by a General Manager designated as the Transparency Officer. A General Manager functions as the Appellate Authority, an Assistant 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. A Deputy Manager has been nominated as Nodal Officer.

The Corporate website www.gicofindia.com also hosts information as relevant to the Corporation, under the Act. It has separate Right to Information link developed and continuously updated by the RTI Cell (<https://www.gicofindia.com/en/right-to-information>) containing information and complying with the provisions under the RTI Act, 2005 and other Ministerial and CIC circulars.

In the FY 2017-18, the Corporation complied with the guidelines issued by Ministry of Personnel regarding Implementation of suo motu disclosure u/s 4 of the RTI Act, 2005 and its Audit thereof.

During the period under review (2017-18) the Corporation received 160 (One hundred and sixty) Applications and 8 (Eight) First Appeals under the RTI Act, 2005. All the Applications were duly replied, and appeals were disposed of well within the stipulated time. One Second Appeal was filed against the Corporation before Central Information Commission and the final order was passed in favour of the Corporation during the period under review.

INFORMATION TECHNOLOGY MANAGEMENT GROUP (ITMG)

The year under review has seen the Information Technology Management Group of GIC Re complete the migration of its Data Centre and Disaster Recovery Centre operations to a new platform bringing in some of the latest technologies. The deployment of a private cloud infrastructure provides it the flexibility and agility to match the availability of system resources to the needs of the organisation while also improving the levels of security, manageability and optimum utilization of resources. Network infrastructure of the organisation has also been revamped with enhanced bandwidth and MPLS connectivity being provisioned for connectivity with the data centre and other offices in India.

Technical upgradation of the Corporation's core ERP application was carried out successfully after meticulous planning and intensive testing by the end users. The Corporation has an Information Security Policy which is periodically reviewed and the security infrastructure is regularly audited through certified security auditors.

TRAINING/HRD

Employees today are required to compete in a dynamic environment where in technology, ideas and events converge rapidly, creating challenges and opportunities for them.

For this, one is required to constantly learn new skills and be abreast of knowledge as well as excel in Inter-personal relationships, too. Training Department enables the employees in perfecting their in-born talents and learning new skills. We empower them to use imagination, develop creative solutions, and remain flexible while ideating or communicating. Both, experienced and young leaders become equipped to motivate others to turn their ideas into results that make a difference to business. Training plays an important role in the overall growth of the organization.

In the year 2017-18, training was imparted to all levels of employees. Training programmes were conducted for the employees at GIC Re Learning Academy; National Insurance

Academy, Pune; Insurance Institute of India, BKC, Mumbai; and other Reputed Institutes. Many soft skilled programmes as well as technical based programmes were initiated and completed successfully.

A summary of various training programmes organized by the Training Department are indicated below:

Organization	No of Programmes	No of Employees trained
GIC Re Learning Academy	11	534
National Insurance Academy	19	84
Insurance Institute of India	2	6
Other Reputed Institutes	39	90
Seminar/Conferences/ Trainings in Foreign Countries	17	28

Some highlights of the programmes are :

1. 5 weeks long Induction Programme conducted at National Insurance Academy, Pune for 31 Direct Recruit Scale-1 Officers (Assistant Manager). The sessions covered aspects of both, Insurance and Reinsurance.
2. As a marketing strategy, 1 specialised programme on Reinsurance was conducted in November 2017 for the Overseas Associates of GIC Re. A total of 29 foreign delegates from 12 countries attended the programme 'Reinsurance Management - Concept Level'
3. Financial Awareness vis-à-vis IPO Training Programme was conducted for all employees of GIC Re at GIC Re Learning Academy, Ador House. The programme was conducted with the association of NSDL and ICICI Bank.
4. A Post IPO Session for the Executives was conducted at GIC Re, Suraksha in the Board Room. It was taken

by renowned faculty – Dr. Sunder Ram Korivi belonging to National Institute of Securities Market.

5. A specialised programme on 'Reservation Policy for SC/ST Officers' was conducted at Hotel Ambassador, Churchgate, Mumbai. The purpose of the training was to understand the reservation policies. The training was imparted by Ms. Anuradha Ghodkhande, Assistant Director, National Commission for Schedule Castes. She is a noted speaker on the subject and this training was well received by all the participants.
6. The Training Department also conducted a training programme to familiarize the employees about GST and the training ended with a very interactive session with the speaker, Mr R. Krishnan.
7. As a special initiative towards SC/ST employees, Training Department has conducted Training Programmes exclusively at Goa & Jaipur for SC/ST employees.
8. This time a specialized in-house programme on the topic - "Prevention of Sexual Harassment (POSH)" was also conducted at GIC Re, Suraksha. Approximately 40 employees attended this training programme in different batches.
9. As part of the Vigilance Awareness Week, training department has organized a training on "Preventive Vigilance - DO's and DON'T's" for middle level managers. The faculty for this session was our CVO, Mr. Ravi Chaudhary. This session brought out the precautionary steps needed to be taken by the middle level managers.

The Training Department has ensured that every employee was nominated to at least one training programme during the year 2017-18. Such initiatives ensure that our employees are skilled enough to handle the complex business scenarios.

OVERSEAS EXPANSION

Overseas Expansion of operations, through branch offices, subsidiaries and joint ventures are an integral part of the business growth strategy, so as to expand the reach of the operations into multiple countries throughout the world. GIC Re targets expansion into new markets by efficiently using the potential and creating additional sustainable income opportunities, both in developed countries, where there is larger demand and in developing countries where there is increasing demand.

Expansion plans are drawn basing on study of market opportunities, supported by understanding of the business, working environment and regulation in prospective markets. GIC Re has also been striking strategic partnerships with reinsurers abroad to take advantage of the expertise and experience of both and leverage on economies of scale.

In March 2018 approval was granted by Lloyd's to establish 'GIC Syndicate 1947', the fully Indian capital backed syndicate to be made operational in April 2018. M/s Pembroke Managing Agency Limited, a Liberty Mutual Company would be the Managing Agent for the syndicate in initial years till GIC Re established its own Managing Agency.

Scaling up of Moscow Representative Office to a full-fledged business office is in an advanced stage.

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 earned a profit of ₹ 595.67 Crore during the financial year 2017-18 as compared to a profit of ₹ 323.77 Crore last year.

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 2017-18, the Gross Premium written by the Branch was GBP 90.21 mn compared to GBP 85.22 mn last year and earned a profit of GBP 1.85 mn as against a profit of GBP 13.82 mn last year.

- **DUBAI BRANCH (UAE)**

During the current financial year 2017-18, the Gross Premium written by the Branch is AED 1,198.29 mn compared to AED 1,304.99 mn last year and incurred a loss of AED 0.18 mn as against a loss of AED 251.43 mn last year.

- **MALAYSIA BRANCH**

During the current financial year 2017-18, the Gross Premium written by the Branch was RM 664.07 mn compared to RM 529.90 mn and incurred a loss of RM 49.18 mn as against a profit of RM 115.03 mn.

- **KENINDIA ASSURANCE CO. LTD., KENYA**

The paid up share capital of the Company is Kshs 561 mn. The total shares held by GIC is 515,777 shares of

Kshs 100 each as on 31st December, 2017. The Corporations' holding in the share capital of the Company is 9.19%.

The Board has recommended a dividend of Kshs.10 per share for the year ended 31st December, 2017.

- **INDIA INTERNATIONAL INSURANCE PTE. LTD., SINGAPORE**

The 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 2017.

- **ASIAN REINSURANCE CORPORATION, BANGKOK**

The Corporation is holding 6.32% of the share capital as Associate Member of Asian Re in addition to holding 0.99% of the share capital as its Regular Member on behalf of the Government of India.

Shareholders passed a resolution to approve 3% stock dividend from the retained earnings as at 31st December, 2016 to Class B shareholders.

- **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 221,281 shares of 1000 Kshs, as on 31st December, 2017.

Board has recommended a total dividend of Kshs. 100 million equivalents to 16.62% of PAT to registered shareholders as at 31st December, 2017.

- **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, 2017. The rest of the shareholding is divided between two Local Bhutanese promoters with 17% stake each and 40% shares are held by the public.

The Company has not declared any dividend for the year ended 31st December, 2017.

- **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 company when acquired was in the run-off for both Life as well as Non-life business. GIC started writing new Non-life business since January 2015. Life business is still in run-off.

The revenue since then has been as under:

2014-15 (January 2014 to March 2015)	ZAR 155.88 Mn.
2015-16	ZAR 331.82 Mn.
2016-17	ZAR 688.64 Mn.
2017-18	ZAR 1,641.25 Mn.

The growth of Revenue since then has been 113%, 108% and 138% respectively. The number of employees have since grown from 9 to 23 during the above period. The Management Expenses in relation to GWP has dropped from 6.55% to 1.58% since then.

The Corporation held 421,856,675 no par value ordinary shares with a value of ZAR 843,713,350 constituting 100% of GIC Re South Africa Ltd's equity as of 31st March, 2018.

The Company has not paid or declared any dividend during the year ended 31st March, 2018.

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

With the objective of becoming a reputed global reinsurer, GIC Re expanded into Lloyd's of London by offering reinsurance capacity to Lloyd's syndicates through quota share capital gearing treaties since 2011. Since as a capacity provider, GIC Re was required to have its own Corporate Membership at Lloyd's, GIC Re acquired I-CAT CCM TEN Ltd, an existing Corporate Member company, in November 2013 and renamed it as GIC Re, India, Corporate Member Ltd, which is registered as a private limited company in the UK. The Company commenced reinsurance operations in 2014.

The business underwritten by the Company is fully reinsured with GIC Re.

The company has earned a profit of GBP 19,000 as against a loss of GBP 33,000 last year.

The company has not declared payment of any dividend for the year.

LISTING OF EQUITY SHARES

During FY 2017-18, the Corporation completed its Initial Public Offer (IPO) consisting of Offer for Sale (OFS) of 107,500,000 equity shares by the Government of India and fresh issue of 17,200,000 equity shares respectively of face value ₹ 5 each.

The shares of the Corporation were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 25th October, 2017.

PUBLIC DEPOSITS

The Corporation has not accepted any deposits under Section 73 of the Companies Act, 2013.

DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

The Board of Directors of the Corporation as on 31st March, 2018 consisted of ten Directors, out of which five are independent Directors, one is Government Nominee Director, one is non-executive non-independent Director and three are whole-time Directors including the Chairman cum Managing Director.

None of the Directors are related to any other Director or employee of the Corporation.

The details pertaining to composition and change in Board, committees and details of meetings is provided under Corporate Governance Report and hence not repeated here to avoid duplication.

DECLARATION OF INDEPENDENT DIRECTORS

All Independent directors have given a declaration that they meet the criteria of independence as laid down under Section 149(6) of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

RETIREMENT OF DIRECTOR BY ROTATION

In accordance with the provisions of Section 152 of the Companies Act, 2013, Smt. Alice G. Vaidyan, Chairman cum Managing Director, would retire by rotation

at the forthcoming AGM and is eligible for re-appointment. Smt. Alice G. Vaidyan has offered herself for re-appointment.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Corporation being a Government Company, is exempted to furnish information under Section 134 (3) (e) of the Companies Act, 2013 vide MCA Notification dated 5th June, 2015.

POLICY FOR REMUNERATION OF KEY MANAGERIAL PERSON AND OTHER EMPLOYEES

The Corporation, being a Government Company, the remuneration payable to Key Managerial Persons and other employees are as per the Government of India norms.

CODE OF CONDUCT UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

The Corporation has in place a Code of Conduct to regulate, monitor and report trades in securities by Directors, Employees & Connected Persons which is in conformity with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to the Employees of the Corporation, Designated Persons, and their Immediate Relatives and Connected Persons, to the extent applicable. The objective of the Code is to prohibit insider trading in any manner by the Designated Persons and to maintain confidentiality of unpublished price sensitive information and access to information on a 'need to know' basis.

BUSINESS RESPONSIBILITY REPORTING

Business Responsibility Report as stipulated under Regulation 34 of the SEBI (LODR) Regulation, 2015

forms part of the Annual Report and has been hosted on the website of the Corporation and can be viewed at www.gicofindia.com.

CEO/CFO CERTIFICATION

In terms of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the certification by the Managing Director & CEO and Chief Financial Officer of

the Corporation on the financial statements and internal controls relating to financial reporting has been obtained.

DETAILS OF UNCLAIMED SUSPENSE ACCOUNT

Details of Unclaimed Suspense Account as provided by our RTA i.e. Karvy Computershare Private Limited pursuant to Regulation 39 read with Part F of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sr.No.	Description	No. of Shareholders	No. of Shares
1	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on 23.10.2017	10	160
2	Number of shareholders who approached Listed entity for transfer of shares from suspense account during the year	3	48
3	No. of shareholders to whom shares were transferred from suspense account during the year	3	48
4	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on 31.03.2018	7	112

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. The Directors have selected such Accounting policies and applied them consistently and made judgements 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 and the profit and loss of the Corporation for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the annual accounts on a going concern basis;
5. The Directors have laid down Internal financial control to be followed by the Corporation and that such Internal Financial Controls are adequate and are operating effectively; and
6. The Directors have devised proper systems to ensure compliance with applicable laws and that such systems were adequate and operating effectively.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE CORPORATION

Domestic (India):

Following is the detail of one major loss which occurred during the month of April 2018:

Name of Insured	Cause of loss	Date of loss	Cedant	100% loss (₹ Cr.)	GIC's share of Gross loss (₹ Cr.)	GIC's share of Net loss (₹ Cr.)
Privi Organics	Fire	26.04.2018	ICICI Lombard GIC	250.00	155.52	100.00
M/s. Garden Reach Shipbuilders and Engineers Ltd.	Damage due to storm	17.04.2018	Reliance General Insurance	125.00	59.48	59.48

BOARD MEETINGS

The number of Board meetings held during financial year 2017-18 of the Corporation were Ten (10) and these are as follows:

29th May, 2017
14th June, 2017
4th August, 2017
4th August, 2017
8th September, 2017
25th September, 2017
30th September, 2017
16th October, 2017
13th November, 2017
12th February, 2018

SECRETARIAL STANDARDS

During 2017-18, the Corporation was in compliance with the applicable accounting standards issued by the Institute of Company Secretaries of India with respect to Board and General Meetings.

SUBMISSION OF ACCOUNTS BEFORE PARLIAMENT

As confirmed by the Ministry of Finance, Insurance Division, the Annual Report of the Corporation for the year 2016-17 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 22nd December, 2017

RAJYA SABHA 19th December, 2017

ACKNOWLEDGEMENT

The Corporation is grateful to the Insurance Regulatory and Development Authority of India, Government of India, Reserve Bank of India and Securities and Exchange Board of India for their continued cooperation, the support and guidance. The Corporation wishes to thank its investors, rating agencies, depositories, Registrar & Share Transfer Agent & Stock Exchanges for their support.

The Corporation would like to express its gratitude for the continued support and guidance received from Principal Director of Commercial Audit and Ex-Officio Member, Audit Board- I, Mumbai.

The Directors express their deep sense of appreciation to all the employees, whose outstanding professionalism, commitment and initiative have made the organisation's growth and success possible and continue to drive its progress. Finally, the Directors wish to express their gratitude to the Members for their trust and support.

For and on behalf of the Board

Alice G. Vaidyan

Chairman-cum-Managing Director

Date : 25th May, 2018

Place : Mumbai

Annexure - I

The Annual Report on CSR Activities 2017-18

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 upliftment of the marginalized and under-privileged sections of the society.

2. Composition of CSR Committee:

S. No.	Name of Director	Designation
1	Smt. Alice G. Vaidyan	Chairman
2	Shri Ravi Mital	Government Nominee Director
3	Smt. Usha Sangwan	Independent Director
4	Shri G. Srinivasan	Director
5	Shri Atanu Kumar Das	Independent Director
6	Shri G. B. Pande	Independent Director
7	Shri Y. Ramulu	Director & General Manager
8	Smt. Sashikala Muralidharan	Director & General Manager

3. Average Net profit of Company for last three financial years: ₹ 3554.92 Cr.

4. Prescribed CSR expenditure (2% of the amount in Item 3): ₹ 71.09 Cr.

5. Details of CSR spent during financial year 2017-18:

a) Total Amount to be spent in FY: ₹ 71.09 Cr.

b) Amount Unspent: ₹ 53.19 Cr.

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: Director through Implementing Agency (₹)
					Direct	Overhead		
(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
1.	Amar Seva Sanham	Infrastructure	Aikkudy, Tamil Nadu	23,21,945.00	23,21,945.00	0.00	23,21,945.00	DIRECT - ASS
2.	Bachpan Bachao Andolan	Child Care	Jaipur, Rajasthan	12,44,320.00	12,44,320.00	0.00	12,44,320.00	DIRECT - BBA

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		
3.	Bhagwan Mahavir Viklang Sahayata Samiti	Livelihood generation	Mehsana, Gujarat	14,73,285.00	14,73,285.00	0.00	14,73,285.00	DIRECT - BMVSS Ahmedabad
4.	Bhagwan Mahavir Viklang Sahayata Samiti	Livelihood generation	Solapur, Maharashtra	27,69,664.00	27,69,664.00	0.00	27,69,664.00	DIRECT - BMVSS Mumbai
5.	Bhagwan Mahavir Viklang Sahayata Samiti	Livelihood generation	Daund, Maharashtra	8,19,069.00	8,19,069.00	0.00	8,19,069.00	DIRECT - BMVSS Mumbai
6.	Bhagwan Mahavir Viklang Sahayata Samiti	Livelihood generation	Hyderabad, Telangana	15,00,000.00	15,00,000.00	0.00	15,00,000.00	DIRECT - BMVSS Hyderabad
7.	Bhagwan Mahavir Viklang Sahayata Samiti	Livelihood generation	Bengaluru, Karnataka	25,00,000.00	25,00,000.00	0.00	25,00,000.00	DIRECT - BMVSS Bengaluru
8.	Bhagwan Mahavir Viklang Sahayata Samiti	Livelihood generation	Jaipur, Rajasthan	15,92,200.00	15,92,200.00	0.00	15,92,200.00	DIRECT - BMVSS Jaipur
9.	Bhagini Nivedita Gramin Vidyan Niketan	Infrastructure	Jalgaon, Maharashtra	59,43,936.00	59,43,936.00	0.00	59,43,936.00	DIRECT - BNGVN
10.	Cancer Patients Aids Association	Health	Mumbai, Maharashtra	7,50,000.00	7,50,000.00	0.00	7,50,000.00	DIRECT - CPAA
11.	Dhan Karunaillam Foundation	Infrastructure	Madurai, Karnataka	9,00,000.00	0.00	0.00	0.00	DIRECT - DIF
12.	Dhan Vayalagam Tank Foundation	Water Shed Management	Pavgada, Karnataka	12,40,000.00	12,40,000.00	0.00	12,40,000.00	DIRECT - DVTF

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		
13.	Dilassa Sanstha	Water Shed Management	Jalna, Maharashtra	58,28,940.00	58,28,940.00	0.00	58,28,940.00	DIRECT - DS
14.	GIC Vriksharopan	Plantation	Sinnar, Maharashtra	8,47,282.00	5,42,500.00 1,55,000.00 1,05,200.00	9,800.00 12,000.00 5,782.00 17,000.00	8,47,282.00	DIRECT-Smartfab Industries DIRECT- Ajay Construction DIRECT - Florebit Ecommerce DIRECT- Pakeer Basheer DIRECT- Jhanvi Panchal DIRECT- Sudhanshu Sports
15.	GIC Vriksharopan	Plantation	Mumbai, Maharashtra	10,210.00	10,210.00	0.00	10,210.00	DIRECT- Green Dream DIRECT- Jhanvi Panchal
16.	Helpers of Handicap	Infrastructure	Kolhapur, Maharashtra	12,50,000.00	12,50,000.00	0.00	12,50,000.00	DIRECT-HoH
17.	Insurance Institute of India	Education	Mumbai, Maharashtra	5,66,150.00	5,66,150.00	0.00	5,66,150.00	DIRECT- III
18.	King George Infirmary	Blanket distribution	Mumbai, Maharashtra	23,347.00	23,347.00	0.00	23,347.00	DIRECT- Kamlesh Brothers
19.	National Insurance Academy	Education	Pune, Maharashtra	15,65,250.00	15,65,250.00	0.00	15,65,250.00	DIRECT - NIA
20.	Prime Minister's Relief Fund	Relief/ Rehabilitation	PAN India	14,00,00,000.00	14,00,00,000.00	0.00	14,00,00,000.00	DIRECT- PMRF

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		
21.	Pratibha Poshini	Education	Thiruvananthapuram, Kerala	2,15,000.00	2,15,000.00	0.00	2,15,000.00	DIRECT- PP
22.	Parivar Education Society	Infrastructure	Kolkata, West Bengal	30,94,560.00	30,94,560.00	0.00	30,94,560.00	DIRECT- PES
23.	Rural Development Trust	Infrastructure	Anantapur, AP	19,08,176.00	19,08,176.00	0.00	19,08,176.00	DIRECT- RDT
24.	Samaritan Help Mission	Infrastructure	Howrah, West Bengal	9,67,000.00	9,67,000.00	0.00	9,67,000.00	DIRECT- SHM
25.	Sanskriti Samvardhan Mandal	Infrastructure	Nanded, Maharashtra	6,50,810.00	6,50,810.00	0.00	6,50,810.00	DIRECT -SSM
26.	Swacchchta Pakhwada	Cleanliness	Mumbai, Maharashtra	10,00,000.00	0.00	0.00	0.00	
27.	The Akshaya Patra Foundation	Mid-day meal	Rourkela, Puri, Odisha	1,82,45,700.00	0.00	0.00	0.00	
28.	The Seva Sadan Society	Blanket distribution	Mumbai, Maharashtra	11,673.00	11,673.00	0.00	11,673.00	DIRECT- Kamlesh Brothers
	Total (₹)			19,92,38,517.00	17,90,48,235.00	44,582.00	17,90,92,817.00	

6. Reasons for the unspent amount:

Some of the proposals received were not compliant with our CSR thrust areas. There was difficulty in the identification of appropriate partners and the areas of intervention.

7. Responsibility Statement of the CSR Committee:

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

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, 2018

[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 - 400 020.

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, 2018**, 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, 2018 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 thereunder;

(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 Borrowings¹;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act")²:-

(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 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)³.

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, and the exemptions from the Act granted by Gazette Notification issued on 5th June, 2015 by the Ministry of Corporate Affairs, Government of India.

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.

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 minutes⁴.

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.

We further report that during the audit period, the Company came out with an Initial Public Offer comprising a fresh issue of 17,200,000 equity shares (face value ₹ 5/- per share) and an Offer for Sale of 107,500,000 equity shares (face value ₹ 5/- per share) by the Government of India, in the price band of ₹ 855 - ₹ 912 per share. Issue opened on 11th October, 2017 and closed on 13th October, 2017. There has been no other occurrence of any specific event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

For SVVS & Associates Company Secretaries LLP

CS. Suresh Viswanathan

Designated Partner

FCS: 4453, CP No: 11745

**May 23, 2018
Mumbai**

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

¹No FDI, ODI or ECB obtained by the Company during the Audit period

²SEBI Act and the Regulations made thereunder are applicable since the filing with SEBI of the Draft Red Herring Prospectus dated 7th August, 2017.

³Read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

⁴All resolutions were carried unanimously

ANNEXURE A

The Members,
General Insurance Corporation of India
'SURAKSHA' 170, J Tata Road
Churchgate
Mumbai - 400 020.

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 are 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.

For SVVS & Associates Company Secretaries LLP

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

May 23, 2018
Mumbai

ANNEXURE B

A. INSURANCE RELATED LAWS, RULES AND REGULATIONS

Sl. Governing Act/Rules/Regulation/Circulars No. Notifications (IRDAI)

1. Insurance Act, 1938
2. Insurance Laws (Amendment) Act, 2015
3. IRDA (Appointed Actuary) Regulations, 2017
4. IRDA (Investment) Regulations, 2016
5. Corporate Governance Guidelines, 2016
6. IRDA (General Insurance-Reinsurance) Regulations, 2016
7. IRDA (Life Insurance-Reinsurance) Regulations, 2013
8. IRDA (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016
9. IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002
10. IRDA (Places of Business) Regulations, 2015
11. Indian Insurance Companies (Foreign Investment) Rules, 2015
12. IRDA (Form of Annual Statement of Accounts and Records) Rules, 2001
13. IRDA (Issuance of Capital by Indian Insurance Companies Transacting Other Than Life Insurance Business) Regulations, 2015

Sl. Governing Act/Rules/Regulation/Circulars No. Notifications (SEBI)

14. SEBI (Depositories Participants) Regulations, 1994
15. SEBI (Prohibition of Insider Trading) Regulations, 2015
16. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
17. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

Sl. Governing Act/Rules/Regulation/Circulars No. Notifications (others)

18. Right to Information Act, 2005

Annexure- III
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2018

[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	L67200MH1972GOI016133
ii)	Registration Date	22 nd November, 1972
iii)	Name of the Company	GENERAL INSURANCE CORPORATION OF INDIA
iv)	Category / Sub-Category of the Company	Insurance Company - Public Company Limited by Shares
v)	Address of the registered office and contact details	"Suraksha", 170, J. Tata Road, Churchgate, Mumbai - 400 020. Tel.: (+91-22) 2286 7000; Fax: (+91-22) 2288 4010
vi)	Whether listed company Yes/No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. Telephone no.: +91-40-6716 2222 Fax No.: +91-40-2300 1153 E-mail ID: einward.ris@karvy.com

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 products/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

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
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 13 th Floor, Ambadeep Building, 14, Kasturba Gandhi Marg, New Delhi - 110 001, India	CIN: U74999DL2002PLC 118123	ASSOCIATE	35%	Section 2(6) of Companies Act, 2013
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)

As per the resolution passed at the Extraordinary General Meeting held on 4th August, 2017 it was approved to consolidate 1,000,00,00,000 (One Thousand Crore) equity shares of ₹ 1/- (Rupee One) each into 200,00,00,000 (Two hundred Crore) equity shares of ₹ 5/- (Rupee Five) each. Therefore, all shares at the beginning of the year have a face value of ₹ 1/- per share and at the end of the year ₹ 5/- per share for Authorized, Issued & Subscribed and Called-up Equity Share capital of the Corporation.

Consequent to the Initial Public Offer (IPO) of the Corporation, comprising of Fresh Issue of 17,200,000 Equity shares and Offer for Sale of 107,500,000 Equity Shares of ₹ 5/- (Rupee Five) each, the Issued & Subscribed and Called-up Capital of the Corporation as on 31st March, 2018, has been changed to ₹ 4,386,000,000/- comprising of 877,200,000 Equity shares of ₹ 5/- each.

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	4300000000	4300000000	100	752500000	0	752500000	85.78	(14.22%)
c) State Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
g) Any Other...	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	4300000000	4300000000	100	752500000	0	752500000	85.78	(14.22%)
2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Total (A) (2)	0	0	0	0	0	0	0	0	0
shareholding of Promoter (A) = (A)(1)+(A)(2)	0	4300000000	4300000000	100%	752500000	0	752500000	85.78	(14.22%)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	6076009	0	6076009	0.69	0.69
b) Banks / FI	0	0	0	0	14901323	0	14901323	1.70	1.70
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) VentureCapitalFunds	0	0	0	0	0	0	0	0	0
f) InsuranceCompanies	0	0	0	0	82402335	0	82402335	9.39	9.39

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIIs/FPIs	0	0	0	0	2654681	0	2654681	0.30	0.30
h) Foreign Venture	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	106034348	0	106034348	12.09	12.09
2. Non-Institutions									
a) Bodies Corp.	0	0	0	0	40531070	0	40531070	0.46	0.46
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	13372132	28	13372160	1.52	1.52
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	94980	0	94980	0.01	0.01
c) Others (specify)									
Clearing Members	0	0	0	0	127745	0	127745	0.01	0.01
NBFC					655039		655039	0.07	0.07
Non-Resident Indians					274920		274920	0.03	0.03
NRI-Non Repatriation					87701		87701	0.01	0.01
Sub-total (B)(2):-	0	0	0	0	18665624	28	18665624	2.11	2.11
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	124699972	28	124700000	14.22	14.22
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	0	4300000000	4300000000	100%	877199972	28	877200000	100%	-

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	4300000000	100%	0 %	752500000	85.78%	0 %	(14.22 %)
	Total	4300000000	100%	0 %	752500000	85.78%	0 %	(14.22 %)

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

Sl. No.	Particulars	Date	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	01.04.2017	4300000000	100	-	-
2	Shares were sold by way of IPO through Offer for sale	23.10.2017	107500000	14.22	-	(14.22)
3	At the End of the year#	31.03.2018	752500000	85.78	752500000	85.78

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Date of Change of shareholding	Increase/ Decrease in Shareholding	Reason	Shareholding at the end of the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Life Insurance Corporation of India	N.A.	N.A.	27.10.2017	73872862	IPO	73872862	8.42
2	The New India Assurance Company Limited	N.A.	N.A.	27.10.2017 03.11.2017	4369870 1193251	IPO Transfer	6042485	0.69
3	State Bank of India	N.A.	N.A.	27.10.2017 03.11.2017	3985818 (27500)	IPO Sale	3958350	0.45
4	Punjab National Bank	N.A.	N.A.	27.10.2017	3865850	IPO	3865850	0.44

Sl. No.	Particulars	Shareholding at the beginning of the year		Date of Change of shareholding	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
5	Bank of India	N.A.	N.A.	As on 27.10.2017 22.12.2017 to 22.02.2018	2706094 (2706094)	IPO Sale	0	0.24
6	L&T Mutual Fund Trustee Ltd - L&T India Prudence Fund	N.A.	N.A.	As on 17.11.2017 23.10.2017 to 30.03.2018	1718 2524949	IPO Purchase	2542127	0.17
7	Andhra Bank	N.A.	N.A.	27.10.2017	2319512	IPO	2319512	0.26
8	Integrated Core Strategies Asia Pte. Ltd.	N.A.	N.A.	As on 27.10.2017 03.11.2017 to 30.03.2018	1829112 (548048)	IPO Sale	1281064	0.15
9	UTI Balance fund	N.A.	N.A.	As on 27.10.2017 17.11.2017 to 23.02.2018	1743408 516734	IPO Purchase	2260142	0.26
10	Union Bank of India	N.A.	N.A.	27.10.2017	1546338	IPO	1546338	0.18

(v) Shareholding of Directors and Key Managerial Personnel**Shareholding of Smt. Alice G. Vaidyan (Chairman cum Managing Director) (On behalf of President of India)**

Sl. No.	Particulars	Date	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	01.04.2017	200	-	200	-
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)					
3	At the End of the year#	31.03.2018	40	-	40	-

Shareholding of Shri Yekkelikar Ramulu (Director)* (On behalf of President of India)

***Appointed as Director w.e.f. 20.06.2017**

Sl. No.	Particulars	Date	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	01.04.2017	200	-	200	-
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)					
3	At the End of the year#	31.03.2018	40	-	40	-

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

***Ceased to be Director w.e.f. 31.05.2017**

Sl. No.	Particulars	Date	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	01.04.2017	200	-	200	-
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	04.08.2017	(200) Transferred to Mr. Pauly N. Sukumar			
3	At the End of the year#	31.03.2018	-	-	-	-

Shareholding of Shri Anil Kumar Khachi (Government Nominee Director)* (On behalf of President of India)***Ceased to be Director w.e.f. 06.07.2017**

Sl. No.	Particulars	Date	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	01.04.2017	200	-	200	-
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	04.08.2017	(200) Transferred to Mr. Ravi Mital			
3	At the End of the year#	31.03.2018	-	-	-	-

Shareholding of Shri Ravi Mital (Government Nominee Director)* (On behalf of President of India)***Appointed as Director w.e.f. 06.07.2017**

Sl. No.	Particulars	Date	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	01.04.2017	-	-	-	-
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	04.08.2017	400 Received from Mr. Anil Kumar Khachi	-	400	-
3	At the End of the year#	31.03.2018	80	-	80	-

Shareholding of Smt. Usha Sangwan (Director) (On behalf of President of India)

Sl. No.	Particulars	Date	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	01.04.2017	200	-	200	-
2	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-	-
3	At the End of the year#	31.03.2018	40	-	40	-

#The face value of Equity Shares of the Corporation has been increased from ₹ 1/- to ₹5/- per share vide special resolution passed at the Extra Ordinary General Meeting held on 04.08.2017. Therefore, all shares at the beginning of the year have a face value of ₹ 1/- per share and at the end of the year ₹ 5/- per share.

V. INDEBTEDNESS

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

(Amount in ₹)

	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	Name of MD/WTD/ Manager	Total Amount
		Smt. Alice G. Vaidyan	Shri G.C. Gaylong*	Shri Segar Sampath-kumar**	Shri Y. Ramulu#	Smt. Sashikala Murali-dharan##	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,407,388	345,328	1,036,859	1,746,216	525,405	11,209,833
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	408,924	152,676	348,861	257,472	60,771	1,795,896
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961						
2	Stock Option	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0
4	Commission - as % of profit - others, specify	0	0	0	0	0	0
5	Others, please specify	0	0	0	0	0	0
	Total (A)	3,816,312	498,004	1,385,720	2,003,688	586,177	13,005,729
	Ceiling as per the Act	Not Applicable					

* Ceased to be a Director w.e.f 31.05.2017

** Ceased to be a Director w.e.f 30.09.2017

#Appointed as Director w.e.f 20.06.2017

Appointed as Director w.e.f 27.12.2017

B. Remuneration to other directors

(Amount in ₹)

Sl. no	Particulars of Remuneration	Name of Directors								
		Shri Anil Kumar Khachi#	Shri G.C. Gaylong##	Smt. Usha Sangwan	Shri G. Sri-nivasan	Shri Ravi Mital*	Shri Atanu Kumar Das**	Shri G.B. Pande ***	Shri A.P. Singh ***	Shri V. Ramasamy***
1	Independent Directors									
	• Fee for attending board/ committee meetings	0	0	0	0	0	0	70,000	1,30,000	0
	• Commission	0	0	0	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0	0	0	0
	Total (1)	0	0	0	0	0	0	70,000	1,30,000	0
2.	Other Non-Executive Directors									
	• Fee for attending board/ committee meetings	0	0	0	0	0	0	0	0	0
	• Commission	0	0	0	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0	0	70,000	1,30,000	0
	Total Managerial Remuneration	0	0	0	0	0	0	70,000	1,30,000	0
	Overall Ceiling as per the Act	Not Applicable								

#Ceased to be Director w.e.f. 22.07.2016

##Ceased to be Director w.e.f. 22.07.2016

*Appointed as Director w.e.f. 06.07.2017

**Appointed as Director w.e.f. 14.08.2017

***Appointed as Director w.e.f. 29.09.2017

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	34,07,388	20,21,628	21,27,009	75,56,025
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	4,08,924	2,73,194	2,93,997	9,76,115
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	38,16,312	22,94,822	24,21,006	85,32,140

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

The Members,
General Insurance Corporation of India
'SURAKSHA' 170, J. Tata Road
Churchgate
Mumbai - 400 020.

We have examined the compliance with the conditions of Corporate Governance **General Insurance Corporation of India ('the Corporation')**, for the year ended on 31st March, 2018, as prescribed under LODR 17 to 27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) LODR, 2015 (hereinafter referred as '**LODR**').

Management Responsibility

The compliance with the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Corporation for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Corporation.

Initial Public Offer ('IPO'), Offer for Sale ('OFS') and Listing of equity shares

Pursuant to the IPO (comprising OFS and fresh issue of shares), the equity shares of the Corporation were listed on October 25, 2017, the Draft Red Herring Prospectus ('**DRHP**') for which was filed with Securities and Exchange Board of India (SEBI) on August 7, 2017. Accordingly, the applicability of LODR commences from the date of filing the DRHP with SEBI.

Opinion

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Management, we certify that the Corporation has complied with the conditions of Corporate Governance as stipulated under the aforesaid requirements of LODR.

We further state that such compliance and our opinion thereof is neither an assurance as to the future viability of the Corporation nor the efficiency or effectiveness with which the Management has conducted the affairs of the Corporation.

Restrictions on use

This certificate is issued solely for the purpose of complying with LODR and may not be suitable for other purpose.

May 25, 2018
Mumbai

For SVVS & Associates Company Secretaries LLP
CS. Suresh Viswanathan
Designated Partner
FCS: 4453, CP No: 11745

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. The Corporation follows guidelines issued by IRDAI and other regulatory bodies regarding corporate governance regulatory framework which has put in place discussed as follows:

Board of Directors:

The constitution of Board of the Corporation is in compliance with Companies Act, 2013, SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and Corporate Governance Guidelines issued by IRDAI. The Corporation is governed by a Board of Directors under the chairmanship of Chairman-cum-Managing Director. The Board of GIC Re has ten directors which includes five Independent Directors. 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 stakeholders, 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.

Composition of Board of Directors

The composition of Board of Directors as on 31st March, 2018:

DIN No.	Name of the Director	Category	Designation
07394437	Smt. Alice G. Vaidyan	Executive Director	Chairman cum Managing Director
06507252	Shri Ravi Mital	Non-Executive Director	Government Nominee Director
02609263	Smt. Usha Sangwan	Non-Executive Director	Independent Director
01876234	Shri G. Srinivasan	Non-Executive Director	Nominee Director
07758968	Shri A. K. Das	Non-Executive Director	Independent Director

DIN No.	Name of the Director	Category	Designation
00490988	Shri V.Ramasamy	Non-Executive Director	Independent Director
01174568	Shri G. B. Pande	Non-Executive Director	Independent Director
01725925	Shri A. P. Singh	Non-Executive Director	Independent Director
07234450	Shri Y. Ramulu	Executive Director	Whole Time Director
08036523	Smt. Sashikala Muralidharan	Executive Director	Whole Time Director

Changes in the Composition of the Board during the year:

Shri G. C. Gaylong ceased to be Director of the Corporation w.e.f. 31.05.2017.

Shri Y. Ramulu was appointed as Whole- time Director of the Corporation w.e.f. 20.06.2017.

Shri Anil Kumar Khachi ceased to be Director of the Corporation w.e.f. 06.07.2017.

Shri Ravi Mital was appointed as Government Nominee Director of the Corporation w.e.f. 06.07.2017.

Shri A. K. Das was appointed as Independent Director of the Corporation w.e.f. 14.08.2017.

Shri V. Ramasamy, Shri G. B. Pande and Shri A. P. Singh were appointed as Independent Director of the Corporation w.e.f. 29.09.2017.

Shri Segar Sampathkumar ceased to be Director of the Corporation w.e.f. 30.09.2017.

Smt. Sashikala Muralidharan was appointed as Whole Time Director of the Corporation w.e.f. 27.12.2017.

The Directors wish to place on record the co-operation received from Shri G. C. Gaylong, Shri Segar Sampathkumar and Shri Anil Kumar Khachi during their tenure as Directors on the Board and also for their valuable contribution to the cause of the General Insurance Industry.

Board Meetings

Ten (10) Board Meetings were held during the Financial Year on the following dates:

29.05.2017	08.09.2017	13.11.2017
14.06.2017	25.09.2017	12.02.2018
04.08.2017	30.09.2017	
04.08.2017 (2)	16.10.2017	

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 2017 TO MARCH 2018

Name of Directors	Date of Meetings									
	29.05.2017	14.06.2017	04.08.2017	04.08.2017(2)	08.09.2017	25.09.2017	30.09.2017	16.10.2017	13.11.2017	12.02.2018
Smt. Alice G. Vaidyan	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Shri Anil Kumar Khachi *	Present	Present	-	-	-	-	-	-	-	-

Name of Directors	Date of Meetings									
	29.05.2017	14.06.2017	04.08.2017	04.08.2017(2)	08.09.2017	25.09.2017	30.09.2017	16.10.2017	13.11.2017	12.02.2018
Shri Ravi Mital**	-	-	Absent	Absent	Absent	Present	Present	Present	Present	Present
Smt. Usha Sangwan	Present	Present	Present	Present	Absent	Present	Absent	Absent	Present	Absent
Shri G. Srinivasan	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Present	Absent
Shri A.K. Das***	-	-	-	-	Present	Present	Absent	Absent	Present	Absent
Shri V. Ramasamy#	-	-	-	-	-	-	Absent	Present	Present	Present
Shri G. B. Pande#	-	-	-	-	-	-	Absent	Present	Present	Absent
Shri A.P. Singh#	-	-	-	-	-	-	Present	Present	Present	Present
Shri Y. Ramulu ##	-	-	Present	Present	Present	Present	Present	Absent	Present	Present
Smt. Sashikala Muralidharan ###	-	-	-	-	-	-	-	-	-	Present
Shri G. C. Gaylong @	Present	-	-	-	-	-	-	-	-	-
Shri Segar Sampathkumar @@	Present	Present	Present	Present	Present	Present	Present	-	-	-

*Ceased to be Director w.e.f. 06.07.2017

Appointed w.e.f. 29.09.2017

** Appointed w.e.f. 06.07.2017

Appointed w.e.f. 20.06.2017

*** Appointed w.e.f. 14.08.2017

appointed w.e.f. 27.12.2017

@ Ceased to be Director w.e.f. 31.05.2017

@@ Ceased to be Director w.e.f. 30.09.2017

Directorship of Directors in Other Companies

Name of Directors	Details of directorship in other companies	Membership held in Committees as specified in Regulation 26 of SEBI (LODR) Regulations 2015
Smt. Alice G. Vaidyan	1. ECGC Limited 2. GIC Re South Africa Ltd. 3. Kenindia Assurance Company Ltd. 4. Health Insurance TPA India Ltd. 5. Asian Reinsurance Corporation 6. Life Insurance Corporation of India 7. GIC Housing Finance Ltd. 8. Indian Register of Shipping	1. Member - Audit Committee – ECGC Limited

Name of Directors	Details of directorship in other companies	Membership held in Committees as specified in Regulation 26 of SEBI (LODR) Regulations 2015
	9. International Insurance Society 10. Agriculture Insurance Company of India Ltd.	
Shri Ravi Mital	1. Punjab National Bank 2. National Investment and Infrastructure Fund Trustee Ltd. 3. Bihar Urban Transport Services Limited 4. IRDAI	1. Member - Audit Committee – Punjab National Bank
Smt. Usha Sangwan	1. LIC of India 2. Axis Bank Ltd. 3. National Insurance Academy 4. LIC Golden Jubilee Foundation 5. Ambuja Cements Ltd. 6. LIC of India (Regular Part Time Employees') Pension Fund 7. BSE Ltd. 8. LIC Card Services Ltd. 9. LIC Housing Finance Ltd. 10. Insurance Institute of India 11. Kenindia Assurance Company Limited 12. LIC (International) B.S.C. Bahrain	1. Member – Stakeholders' Relationship Committee – BSE Ltd.
Shri G. Srinivasan	1. New India Assurance Company Ltd 2. New India Assurance Company (Trinidad and Tobago Ltd Port of Spain) 3. India International Insurance Pte. Singapore 4. GIC Housing Finance Ltd. 5. Prestige Assurance Plc Lagos 6. National Insurance Academy 7. Insurance Information Bureau 8. Health Insurance TPA of India Ltd. 9. Agriculture Insurance Company Limited 10. Insurance Institute of India	1. Member – Stakeholders' Relationship Committee – New India Assurance Company Ltd.
Shri A. K. Das	1. Bank of India 2. Bank of India (Botswana) Ltd	1. Member – Audit Committee – Bank of India

Name of Directors	Details of directorship in other companies	Membership held in Committees as specified in Regulation 26 of SEBI (LODR) Regulations 2015
	3. SWIFT India Domestic Services Pvt. Ltd. 4. BOI Shareholding Ltd.	2. Member - Stakeholders' Relationship Committee - Bank of India
Shri V. Ramasamy	1. GIC Housing Finance Ltd.	1. Chairman - Audit Committee - GIC Housing Finance Ltd. 2. Chairman - Stakeholders' Relationship Committee - GIC Housing Finance Ltd.
Shri G. B. Pande	NIL	NIL
Shri A. P. Singh	1. Ballarpur Industries Ltd.	1. Member - Audit Committee - Ballarpur Industries Ltd.
Shri Y. Ramulu	1. GIC housing Finance Ltd. 2. GIC Bhutan Reinsurance Company Ltd.	1. Member - Audit Committee - GIC housing Finance Ltd. 2. Member - Stakeholders' Relationship Committee - GIC housing Finance Ltd.
Smt. Sashikala Muralidharan	1. IDBI Trusteeship Services Limited	NIL

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Name of Director	No. of Shares held
Shri Ravi Mital*	80
Smt. Usha Sangwan*	40

*The above directors were holding shares on behalf of President of India and the same has been transferred to President of India's account w.e.f. 02.06.2018.

COMMITTEES OF THE BOARD

General Insurance Corporation of India has seven Board level Committees, viz. Audit Committee, Investment Committee, Corporate Social Responsibility Committee, Enterprise Risk Management Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee 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 2017-18.

Sl. No.	Name	Category	Designation
1	Shri V. Ramasamy	Chairman	Independent Director
2	Shri Ravi Mital	Member	Non-Executive Government Nominee Director
3	Smt. Usha Sangwan	Member	Independent Director
4	Shri A. K. Das	Member	Independent Director
5	Shri A.P. Singh	Member	Independent Director
6	Shri G. B. Pande	Member	Independent Director

STATEMENT SHOWING NUMBER OF AUDIT COMMITTEE MEETINGS ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2017 TO MARCH 2018

Name of Members	Date of Meetings					
	29.05.2017	14.06.2017	08.09.2017	25.09.2017	13.11.2017	12.02.2018
Shri Anil Kumar Khachi*	Present	Present	-	-	-	-
Shri Ravi Mital**	-	-	Absent	Present	Present	Present
Smt. Usha Sangwan	Present	Present	Absent	Present	Present	Absent
Shri A. K. Das***	-	-	Present	Present	Present	Absent
Shri V. Ramasamy#	-	-	-	-	Present	Present
Shri A.P. Singh#	-	-	-	-	Present	Present
Shri G. B. Pande#	-	-	-	-	Present	Absent
Shri G. C. Gaylong @	Present	-	-	-	-	-
Shri Segar Sampathkumar @@	Present	Present	Present	Present	-	-

*Ceased to be Director w.e.f. 06.07.2017

Appointed w.e.f. 29.09.2017

** Appointed w.e.f. 06.07.2017

Appointed w.e.f. 27.12.2017

*** Appointed w.e.f. 14.08.2017

@ Ceased to be Director w.e.f. 31.05.2017

@@ Ceased to be Director w.e.f. 30.09.2017

INVESTMENT COMMITTEE

GIC Re has an Investment Committee consisting of the CMD, 3 Non-Executive Directors, 2 Executive Directors, CIO, CFO, CRO 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 2017-18 were:

Sl. No.	Name	Category	Designation
1	Smt. Alice G. Vaidyan	Chairman	Chairman cum Managing Director
2	Shri Ravi Mital	Member	Non-Executive Government Nominee Director
3	Smt. Usha Sangwan	Member	Independent Director
4	Shri G. Srinivasan	Member	Non-Executive Nominee Director
5	Shri A. K. Das	Member	Independent Director
6	Shri V. Ramasamy	Member	Independent Director
7	Shri Y. Ramulu	Member	Executive Director
8	Smt. Sashikala Muralidharan	Member	Executive Director
9	Shri V. C. Jain	Member	Chief Financial Officer
10	Shri Uttam Kumar Sharma	Member	Chief Investment Officer
11	Smt. Madhulika Bhaskar	Member	Chief Risk Officer
12	Smt. Priscilla Sinha	Member	Appointed Actuary

STATEMENT SHOWING NUMBER OF INVESTMENT COMMITTEE MEETINGS ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2017 TO MARCH 2018

Name of Members	Date of Meetings			
	29.05.2017	08.09.2017	13.11.2017	12.02.2018
Smt. Alice G. Vaidyan	Present	Present	Present	Present
Shri Anil Kumar Khachi*	Present	-	-	-

Name of Members	Date of Meetings			
Shri Ravi Mital**	-	Absent	Present	Present
Smt. Usha Sangwan	Present	Absent	Present	Absent
Shri G. Srinivasan	Absent	Absent	Absent	Absent
Shri A.K. Das***	-	Present	Present	Absent
Shri Y. Ramulu	-	Present	Present	Present
Shri V. Ramasamy#	-	-	Present	Present
Smt. Sashikala Muralidharan##	-	-	-	Present
Shri G. C. Gaylong ###	Present	-	-	-
Shri Segar Sampathkumar @	Present	Present	-	-
Shri V. C. Jain (CFO)	Present	Present	Present	Present
Shri S. Tripathy (CIO) @@	Present	Present	Present	-
Shri Uttam K. Sharma (CIO) @@@	-	-	-	Absent
Smt. Madhulika Bhaskar, CRO	Present	Present	Present	Present
Smt. Priscilla Sinha, Appointed Actuary	Present	Present	Absent	Present

*Ceased to be Director w.e.f. 06.07.2017

Appointed w.e.f. 29.09.2017

** Appointed w.e.f. 06.07.2017

Appointed w.e.f. 27.12.2017

*** Appointed w.e.f. 14.08.2017

Ceased to be Director w.e.f. 31.05.2017

@ Ceased to be Director w.e.f. 30.09.2017

@@ Ceased to be CIO w.e.f. 22.01.2018

@@@ Appointed as CIO w.e.f. 22.01.2018

NOMINATION & REMUNERATION COMMITTEE

The terms of reference of Nomination and Remuneration Committee is as prescribed under Section 178 of the Companies Act, 2013 except to the extent of exemptions granted to Government Companies.

1. The Nomination and Remuneration Committee shall comprise of at least three directors, all of whom shall be non-executive directors, and at least fifty percent of the directors shall be independent directors;
2. The Chairperson of the corporation (whether executive or non-executive) may be appointed as a member of the

Nomination and Remuneration Committee, but shall not chair such Committee;

3. To evaluate the performance of Chairman-cum- Managing Director of the Corporation for the entitlement of Performance Linked Incentives, subject to achievement of broad quantitative parameters fixed for performance evaluation matrix based on the Statement of Intent (SOI) on Goals and qualitative parameters and benchmarks based on various compliance reports during the last financial year;
4. To take on record the appointment and removal of directors, including independent directors, by the President of India acting through the respective ministries;

The following are the Members of the Nomination and Remuneration Committee for the financial year 2017-18:

Sl. No.	Name	Category	Designation
1	Shri V. Ramasamy	Chairman	Independent Director
2	Shri Ravi Mital	Member	Non-Executive Government Nominee Director
3	Smt. Usha Sangwan	Member	Independent Director
4	Shri A. K. Das	Member	Independent Director

STATEMENT SHOWING NUMBER OF NOMINATION & REMUNERATION COMMITTEE MEETING ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2017 TO MARCH 2018

Name of Members	Date of Meetings
	14.06.2017
Shri Anil Kumar Khachi*	Present
Shri Ravi Mital**	-
Smt. Usha Sangwan	Present
Shri V. Ramasamy***	-
Shri A. K. Das#	-
Shri Segar Sampathkumar##	Present

*Ceased to be Director w.e.f. 06.07.2017

Appointed w.e.f. 14.08.2017

** Appointed w.e.f. 06.07.2017

Ceased to be Director w.e.f. 30.09.2017

*** Appointed w.e.f. 29.09.2017

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The performance evaluation of the Directors (including Independent Directors) has not been done by the Nomination & Remuneration Committee, as GIC Re being a Government Company, the powers relating to appointment, evaluation and the term of directors (including Independent Directors) vests with the Government of India. The same is also exempted to Government Companies under the provisions of the Companies Act, 2013.

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's Enterprise Risk Management Committee of the Board consists of the following members for the financial year 2017-18.

Sl. No.	Name	Category	Designation
1	Smt. Alice G. Vaidyan	Chairman	Chairman cum Managing Director
2	Shri Ravi Mital	Member	Non-Executive Government Nominee Director
3	Smt. Usha Sangwan	Member	Independent Director
4	Shri G. Srinivasan	Member	Non-Executive Nominee Director
5	Shri A. K. Das	Member	Independent Director
6	Shri A.P.Singh	Member	Independent Director
7	Shri Y.Ramulu	Member	Executive Director
8	Smt. Sashikala Muralidharan	Member	Executive Director

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

Shri G. C. Gaylong, Director & General Manager

Shri Segar Sampathkumar, Director & General Manager

Shri B. N. Narasimhan, 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 2017 TO MARCH 2018

Name of Members	Date of Meetings			
	29.05.2017	08.09.2017	13.11.2017	12.02.2018
Smt. Alice G. Vaidyan	Present	Present	Present	Present
Shri Anil Kumar Khachi*	Present	-	-	-
Shri Ravi Mital**	-	Absent	Present	Present
Smt. Usha Sangwan	Present	Absent	Present	Absent

Name of Members	Date of Meetings			
	29.05.2017	08.09.2017	13.11.2017	12.02.2018
Shri G. Srinivasan	Absent	Absent	Absent	Absent
Shri A.K. Das***	-	Present	Present	Absent
Shri A.P.Singh#	-	-	Present	Present
Shri Y.Ramulu##	-	Present	Present	Present
Shri G. C. Gaylong@	Present	-	-	-
Shri Segar Sampathkumar@@	Present	Present	-	-
Smt. Sashikala Muralidharan###	-	-	-	Present

*Ceased as Director w.e.f. 06.07.2017

Appointed w.e.f. 29.09.2017

** Appointed w.e.f. 06.07.2017

Appointed w.e.f. 20.06.2017

*** Appointed w.e.f. 14.08.2017

Appointed w.e.f. 27.12.2017

@ Ceased to be Director w.e.f. 31.05.2017

@@ Ceased to be Director w.e.f. 30.09.2017

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 2017-18 are:

Sl. No.	Name	Category	Designation
1	Smt. Alice G. Vaidyan	Chairman	Chairman cum Managing Director
2	Shri Ravi Mital	Member	Non-Executive Government Nominee Director
3	Smt. Usha Sangwan	Member	Independent Director
4	Shri G. Srinivasan	Member	Non-Executive Nominee Director
5	Shri A. K. Das	Member	Independent Director

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 2017-18 were:

Sl. No.	Name	Category	Designation
1	Smt. Alice G. Vaidyan	Chairman	Chairman cum Managing Director
2	Shri Ravi Mital	Member	Non-Executive Government Nominee Director
3	Smt. Usha Sangwan	Member	Independent Director
4	Shri G. Srinivasan	Member	Non-Executive Nominee Director
5	Shri A. K. Das	Member	Independent Director
6	Shri G. B. Pande	Member	Independent Director
7	Shri Y. Ramulu	Member	Executive Director
8	Smt. Sashikala Muralidharan	Member	Executive Director

STATEMENT SHOWING NUMBER OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE MEETINGS ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2017 TO MARCH 2018

Name of Members	Date of Meetings		
	29.05.2017	13.11.2017	12.02.2018
Smt. Alice G. Vaidyan	Present	Present	Present
Shri Anil Kumar Khachi*	Present	-	-
Shri Ravi Mital**	-	Present	Present
Smt. Usha Sangwan	Present	Present	Absent
Shri G. Srinivasan	Absent	Absent	Absent
Shri A. K. Das***	-	Present	Absent
Shri G. B. Pande#	-	Present	Absent
Shri Y. Ramulu##	-	Present	Present
Shri G. C. Gaylong@	Present	-	-

Name of Members	Date of Meetings		
	29.05.2017	13.11.2017	12.02.2018
Shri Segar Sampathkumar@@	Present	-	-
Smt. Sashikala Muralidharan###	-	-	Present

*Ceased to be Director w.e.f. 06.07.2017

Appointed w.e.f. 29.09.2017

** Appointed w.e.f. 06.07.2017

Appointed w.e.f. 20.06.2017

*** Appointed w.e.f. 14.08.2017

Appointed w.e.f. 27.12.2017

@ Ceased to be Director w.e.f. 31.05.2017

@@ Ceased to be Director w.e.f. 30.09.2017

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board has constituted a Stakeholders' Relationship Committee comprising of Independent and Whole Time

Director to specifically look into the redressal of grievances of shareholders, debenture holders and other Security holders. The composition of Stakeholders' Relationship Committee as on 31st March, 2018 was as follows:

Sl. No.	Name	Category	Designation
1	Smt. Alice G. Vaidyan	Chairman	Chairman cum Managing Director
2	Smt. Usha Sangwan	Member	Independent Director
3	Shri Y. Ramulu	Member	Executive Director
4	Smt. Sashikala Muralidharan	Member	Executive Director

STATEMENT SHOWING NUMBER OF STAKEHOLDERS' RELATIONSHIP COMMITTEE MEETINGS ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2017 TO MARCH 2018

Name of Members	Date of Meeting
	12.02.2018
Smt. Alice G. Vaidyan	Present
Smt. Usha Sangwan	Absent
Shri Y. Ramulu	Present
Smt. Sashikala Muralidharan	Present

GENERAL BODY 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. The details are as follows:

Particulars	2014-15	2015-16	2016-17
Date	17 th July , 2015	28 th September, 2016	8 th September, 2017
Time	11:15 A.M.	3:30 P.M.	1:15 P.M.
Venue	“Suraksha”, 170, J.T. Road, Churchgate, Mumbai	“Suraksha”, 170, J.T. Road, Churchgate, Mumbai	“Suraksha”, 170, J.T. Road, Churchgate, Mumbai
No. of Special Resolutions passed	NIL	1	NIL
Purpose/Details of Special Resolution	N.A.	To seek approval of shareholders for amendment in Articles of Association of the Corporation in order to include clauses in compliance with Disinvestment/IPO process	N.A.

Details of Extraordinary General Meeting of the Members held during the last three years is as follows:

Particulars	2014-15	2015-16	2016-17
Date	N.A.	4 th February, 2016	4 th August, 2017
Time	N.A.	10:30 A.M.	12:00 P.M.
Venue	N.A.	“Suraksha”, 170, J.T. Road, Churchgate, Mumbai	“Suraksha”, 170, J.T. Road, Churchgate, Mumbai
No. of Special Resolutions passed	N.A.	3	4
Purpose/Details of Special Resolution	N.A.	To seek approval of shareholders: i) to convert the class of company from ‘Private Limited Company’ to ‘Public Limited Company’ ii) to alter the capital clause of memorandum of association consequent to sub-division of shares iii) to adopt the new sets of Articles of Association of the Corporation.	To seek approval of shareholders: i) for consolidation of face value of shares of the Corporation. ii) to alter the capital clause of Memorandum of Association consequent to Consolidation of Shares. iii) for amendment of the Articles of Association. iv) for raising of additional capital through Initial Public Offer

INDEPENDENT DIRECTORS MEETING:

As provided under Schedule IV of the Companies Act, 2013 and also as per Regulation 25(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, separate meeting of Independent Directors was held on 24th March, 2018 for performance evaluation of Directors. The details of familiarization programs provided to the Independent Directors are also hosted on the website of the Corporation. Being a Government Company, the appointment of all Directors including Independent Directors is being done by the Government of India.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

Independent Directors are familiarised with their roles, rights and responsibilities in the Corporation as well as with the nature of industry and business model of the

Corporation through induction programmes at the time of their appointment as Directors and through presentations on economy & industry overview, business overview, digitisation initiatives in policy issuance and servicing processes, key regulatory developments, governance, strategy, investment, human resource and performance which are made to the Directors from time to time. The details of the familiarisation programmes have been hosted on the website of the Corporation and can be accessed on the link: https://www.gicofindia.com/images/pdf/Details_of_Familiarization_Programme_F-Y_2017-18_23-5-2018_new.pdf

KEY MANAGERIAL PERSONNEL

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

Sl. No.	Name	Designation
1	Smt. Alice G. Vaidyan	Chairman-cum-Managing Director
2	Smt. Alice G. Vaidyan	Chief Executive Officer
3	Smt. Suchita Gupta	Company Secretary
4	Shri V. C. Jain	Chief Financial Officer

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

Sl. No.	Name	Designation
1	Smt. Alice G. Vaidyan	Chief Executive Officer
2	Shri Pauly Sukumar N.	Chief Marketing Officer
3	Smt. Priscilla Sinha	Appointed Actuary (General Insurance)
5	Shri Uttam Kumar Sharma	Chief Investment Officer
6	Shri V. C. Jain	Chief Financial Officer
7	Shri D. R. Waghela	Chief of Internal Audit & Financial Advisor
8	Smt. Madhulika Bhaskar	Chief Risk Officer
9	Smt. Suchita Gupta	Chief Compliance Officer

MEANS OF COMMUNICATION

Timely disclosure of consistent, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end, major steps taken are as under:

a. Quarterly Financial Results

The quarterly unaudited financial / yearly audited financial results of the Corporation are announced within the time limits prescribed by the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The results are published in leading business/regional newspapers.

b. Website

The Corporation's corporate website www.gicofindia.com provides separate sections for investors "Investors" where relevant information for shareholders is available.

c. News Release

Official News Releases are hosted on Corporation's website: www.gicofindia.com

d. Annual Report

Annual Report for 2016-17 is circulated to shareholders and others entitled thereto. The Management Discussion & Analysis Report is part of the Annual Report.

GENERAL SHAREHOLDERS INFORMATION

a. 46th Annual General Meeting

Date & Time : Wednesday, the 5th September, 2018 at 3.00 p.m.

Venue : "Y. B. Chavan Auditorium", Y. B. Chavan

Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400021 (Maharashtra)

b. Financial Year: 1st April, 2017 to 31st March, 2018

The financial calendar to approve quarterly / annual financial result for the year 2017-18 is given below:

Quarter ending 30th June, 2018 : 30.07.2018

Quarter ending 30th September, 2018: On or before 14.11.2018

Quarter ending 31st December, 2018 : On or before 14.02.2018

Quarter & year ending 31st March, 2019: On or before 30.05.2019

c. Record Date for Equity Dividend: Saturday, 14th July, 2018

d. Dividend payment date: A dividend of ₹ 13.5 per share (270%), as recommended by the Board of Directors, if approved at the AGM, shall be paid to the eligible shareholders within the stipulated 30 days period after the AGM as provided under the Companies Act.

e. Listing on Stock Exchanges as of 31st March, 2018:

The Corporation is listed on The BSE Limited and The National Stock Exchange of India Ltd. The listing fees for financial year 2018-2019 has been paid to the Stock Exchanges within stipulated time period.

f. Stock Code: BSE : 540755

NSE : GICRE

ISIN : INE481Y01014

g. Stock Market Data

(In ₹)

Months (2017-18)	BSE		NSE	
	High	Low	High	Low
October*	895.00	780.25	899.00	780.00
November	868.00	785.00	868.00	785.00
December	807.85	753.00	806.40	752.50
January	809.90	751.05	809.50	752.30
February	793.80	717.10	793.65	718.35
March	740.00	680.05	754.75	708.00

*The Corporation got listed on 25th October, 2017.

h. Registrars and Transfer Agents

M/s. Karvy Computershare Pvt. Ltd.
 Karvy Selenium, Tower B,
 Plot number 31 & 32,
 Financial District, Gachibowli
 Hyderabad - 500 032.
 Contact No.: (040) 6716 2222; Fax No.: (040) 2300 1153
 E-mail: einward.ris@karvy.com

i. Share Transfer System

Activities relating to Share Transfers are carried out by M/s. Karvy Computershare Pvt. Ltd. who are the Registrars and Transfer Agents of the Corporation, who have arrangements with the Depositories viz., National Securities Depository Limited and Central Depository Services (India) Limited.

j. Dematerialisation of shares and liquidity

The total number of shares dematerialised as on 31st March, 2018 is 877,199,997 representing 99.38% of Issued and Subscribed share capital including shares held by the Government of India.

OTHER DISCLOSURES

- During the year 2017-18, there were no material transactions with Directors or their relatives having potential conflict with the interests of the Corporation at large. Being a Government Company, all the Directors of the Corporation are appointed by the Government of India. There is no relationship inter se between these Directors.
- As required under the Listing Agreement, the Corporation has formulated a Policy on Materiality of Related Party Transaction and the same is hosted on the website of the Corporation and can be accessed with the following link <https://www.gicofindia.com/en/media-menuu/downloads/category/3-general-files>. All the related party transactions entered during the financial year 2017-18 were at arm's length price.
- There have been no instances of non-compliance by the Corporation or penalties or strictures imposed on the Corporation by any Stock Exchange or SEBI or any Statutory Authority, on any matter relating to capital markets during the last 3 years.

- d. The Corporation has a Whistle-Blower Policy in place and no personnel have been denied access to the Audit Committee. This policy is hosted on the website of the Corporation www.gicofindia.com
- e. The Corporation is complying with the various mandatory and non-mandatory Corporate Governance requirements envisaged under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- f. Web link for accessing policy for determining material subsidiaries <https://www.gicofindia.com/en/media-menuu/downloads/category/3-general-files>
- g. Web link for accessing policy on dealing with related party transactions <https://www.gicofindia.com/en/media-menuu/downloads/category/3-general-files>
- h. The Corporation has framed a "Policy on Code of Conduct for Insider Trading" and the same is hosted on the website of our Corporation. The link for accessing this code is <https://www.gicofindia.com/en/media-menuu/downloads/category/3-general-files>
- i. The Corporation has complied with the applicable conditions of Corporate Governance requirements as specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulations (2) of Regulation 46 except to the extent of appointment of requirements of number of Independent Directors on the Board. Being a Government Company, all the Directors on the Board are appointed by the Government of India. The link for

accessing the details as prescribed under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is www.gicofindia.com

DECLARATION OF THE CHAIRMAN-CUM-MANAGING DIRECTOR

This is to certify that the Corporation has laid down Code of Conduct for all Board Members and Senior Management of the Corporation and the same are uploaded on the website of the Corporation – <https://www.gicofindia.com/en/media-menuu/downloads/category/3-general-files>.

Further certified that the Members of the Board of Directors and Senior Management Personnel have affirmed and having complied with code as applicable to them during the year ended 31st March, 2018.

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.

Sd/-
(Suchita Gupta)

Deputy General Manager & Company Secretary

CSR ACTIVITIES

Our **Corporate Social Responsibility (CSR)** policy strives to transform India into a risk-aware society from being a risk-averse society. We aim to integrate social, environmental and health concerns of the Indian society into our CSR policy and programs.

Our CSR activities have focused on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions, and uplifting the marginalized and under-privileged sections of the society. Nowadays CSR goes beyond charity and requires the company to act beyond its legal obligations. It rests on the ideology of give and take. Companies take resources in the form of raw materials, human resources etc. from the society. By performing the task of CSR activities, the companies are giving something back to the society.

In the changing business environment, doing well (profit) and doing good (caring) are not mutually exclusive but mutually reinforcing. There has been a paradigm shift from the way business was done earlier to how it should be done today. It's no longer a question if companies should engage in CSR, it's now a question of to what extent will they do so, and how they will create and communicate real and meaningful impact.

REPORT ON CSR ACTIVITIES IN FY 2017-18

1. **Jaipur Foot Camp at Vijapur, Mehsana, Gujarat**

The department had conducted its first project in the FY 17-18 through Bhagwan Mahavir Viklang Sahayata Samiti (BMVSS). This time the association was with their Ahmedabad Centre. The camp was conducted in the remote district of Mehsana in a place called Vijapur. The teams from BMVSS Ahmedabad Centre had done the ground work of identification of the beneficiaries. On the spot fitments was done on 14th May, 2017. The programme was also supported by Rotary Club of Sola.

GIC Re has contributed approximately ₹ 14.00 lakhs towards the camp. The programme was inaugurated by Mr. D. R. Mehta, Founder of BMVSS who had specially come from Jaipur for this purpose.

2. **Jaipur Foot at Daund**

As in the past, we have continued our association with Bhagwan Mahavir Viklang Sahayata Samiti in the current financial year. The first camp was conducted in Daund, Pune district. It benefitted approximately 270 persons. The beneficiaries were mostly localities coming across from the taluka region. Approximate expenditure for the camp was ₹ 8.00 Lakhs. The camp was held in May 2017 for 4 days.

3. **GIC Vriksharopan Abhiyan 2017**

The State Government of Maharashtra has taken up the 50-crore plantation program intended to increase the forest cover in the state from the current 20% to the nationally mandated 33% of Maharashtra's land area. This year they have aimed at a target of 4 crore saplings. Setting a huge record, even the common people planted 2.82 Crore trees on a single day, giving hope to challenges like degradation of natural resources and habitats, pollution and climate change and boosting the morale of Maharashtra's Forest Department. Taking the step ahead, a plantation drive was initiated at "Suraksha" on 5th July, 2017. Shri Sudhir Mungantiwar, Hon`able Minister for Finance, Forest and Planning presided over the inaugural session of GIC Vriksharopan Abhiyan 2017 wherein saplings were planted. Over 100 GICians took the tree pledge after the saplings were planted.

4. **GIC Vriksharopan - Sinnar, Nasik**

To ensure continuity in our efforts towards reduction of carbon footsteps, the plantation drive was continued beyond our office premises to villages near Sinnar, Nasik.

CSR ACTIVITIES

The activity was conducted on 22nd July, 2017. Approximately 3000 trees of indigenous variety were planted. Many GICians also volunteered for the drive.

5. **Blanket Distribution Drive in Mumbai**

The department conducted 'Blanket Distribution Drive' on 10th January, 2018 at King George V Memorial Infirmary (Anand Niketan) located at Mahalakshmi, Mumbai and its second phase on 17th January, 2018 at Seva Sadan Society, Grant Road. The purpose of the drive was to identify and distribute blankets to the needy and underprivileged. The blankets were distributed to 60 inmates of the infirmary. They take care of the lodging boarding of the destitute they are referred to. They also take responsibility of the medical expenses incurred for these inmates. Their main vision is to empower the underprivileged senior citizens and the destitute and help them lead a life of dignity and self-respect.

6. **Blanket distribution - SEVA SADAN**

At the second phase of the drive, the department distributed blankets to 30 orphan girls staying at Seva Sadan Society at Grant Road. Their aim is to reduce the inequities of opportunity between the privileged and the under privileged. They provide a shelter for destitute girls and women and look after their overall need and development over and above the emotional support that is provided to each one of them. They try and work towards self-sufficiency and economic independence of women.

7. **BMVSS Bangalore - Jaipur Foot Camp**

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. The

Bangalore center conducts an annual camp every year in the month of January. We have been associated with this camp from the inception of CSR in GIC Re. In FY 17-18 too, we have contributed funds of ₹ 25.00 lakhs.

8. **SWACHHTA PAKHWADA -15.01.18 to 31.01.18**

CAPACITY BUILDING: Adv. Afroz Shah, a young Indian lawyer from Mumbai, is synonymous with the world's largest beach clean-up project in Versova, Mumbai. He has been awarded as "Champions of the Earth" by UNEP 2016. He visited GIC HO on 30th January, 2018 and lectured the employees about the cleanliness drive, why is he was motivated to do this and why as a citizen of India, each one of us should do our duty. Mr. Shah also gave pointers to the employees regarding the steps which would help in reduction of litter/plastic and thereby pollution. A large number of employees attended his session, went through his findings and his documented records and understood the ethos of Swachhta.

9. **Cleanliness Drives**

Cleanliness drive was carried out in MLA Hostel Lane adjacent to our office on 26th January, 2018. There was whole hearted support from our Senior Executives as well as employees on Republic day. Marine litter/debris is big environmental/cleanliness problem confronting our Nation and specially so the coastal part of India. As part of Swachhta Pakhawada, CSR department; a long-term association can be done with Adv. Afroz Shah for tackling the problem of marine litter/debris. As an important activity of this Swachhata Pakhwada, CSR department has arranged a Beach Cleaning drive at Versova Jetty on 27th January, 2018. The cleaning of the beach was undertaken by employees of GIC Re with the team of local volunteers.

CSR ACTIVITIES

10. **Contribution for Mid - Day Meal Scheme through The Akshaya Patra Foundation**

The Akshaya Patra Foundation meals meet the nutritional requirements of children, complying with the government norms as per the recommendations of qualified nutritionists. Their kitchens are technology-intensive, and can cook a minimum of 100,000 meals in less than four and a half hours with minimum human intervention and sustained quality. The cooked food is distributed through heat-insulated, dust-free special purpose vehicles. Due to extensive mechanization of the kitchen, the program can offer children standardized, high quality, wholesome hygienic meals and makes the programme highly cost effective. GIC Re has contributed funds to support the feeding of 19800 students at Rourkela and Puri for the FY 18-19. Approximate cost of the project is ₹ 1.82 cr.

11. **Construction of science lab - Amar Seva Sangam**

Amar Seva Sangam, Aikkudy, Tamil Nadu is a premier organization in the field of disability management. They provide rehabilitation, education and employment generation to physically challenged people across 800+ villages and 14000+ people. GIC Re had sanctioned the construction of the science lab at Siva Saraswati Vidyalyaya. GIC Re has approved for the contribution of funds amounting to ₹ 23.22 Lakhs. The project was conducted as per our guidelines and policies and was completed by March 2018.

12. **Contribution to Prime Minister's National Relief Fund (PMNRF)**

PMNRF was set up in January 1948. The resources of the PMNRF are now utilized primarily to render

immediate relief to families of those killed in natural calamities like floods, cyclones and earthquakes etc. and to the victims of the major accidents and riots and also to partially defray the expenses for medical treatment like heart surgeries, kidney transplantation, cancer treatment and acid attack etc. The fund consists entirely of public contributions and does not get any budgetary support. An amount of ₹ 14.00 Crore has been earmarked for contribution to PMNRF.

13. **Contribution of Funds for School Compound Wall for Dhan Karunai Ilam, Madurai**

GIC Re has agreed to contribute funds for construction of school compound wall managed by Dhan Karunai Ilam. The cost of the project is approximately ₹ 9.00 Lakhs. They also manage the orphanage which houses around 46 children. The services of Chennai Liaison office were also utilised before the project was sanctioned.

14. **Contribution of Funds - BMVSS, Jaipur**

The main objective of BMVSS is providing 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. They receive nearly 125-150 amputees and polio patients visit their premises on any given day. 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. GIC Re has been associated with their Jaipur centre for the last 4 years. We already committed to them in the last financial year. This year we committed approximately ₹ 16.00 Lakhs for their Jaipur centre.

ECONOMIC ENVIROMENT

World GDP growth is estimated to have risen to 3.8% in 2017 with a notable rebound in global trade and is expected to further strengthen to 3.9% in 2018 with higher growth expected across emerging markets and developing economies and pick-up in growth across advanced economies such as the United States, France, and Japan. Favourable market sentiment, increasing global trade, improving business and consumer confidence along with expansionary fiscal policy in the United States are expected to bolster global growth. Key downside risks include pick up in headline and core inflation due to increasing fuel prices, sharp tightening of financial conditions, increasing trade protectionism and geopolitical strains.

Indian economy growth slowed down to 6.7% in 2017-18. The steep decline in economic growth was caused by disruption in economic activity led by demonetisation and implementation related issues of Goods and Services Tax (GST). However, backed by government spending and investment, the economy grew at a seven-quarter high of 7.7% in the last quarter of 2017-18 retaining the world's fastest growing economy tag. Pickup in consumption demand and increase in manufacturing activity suggests that the economy is showing signs of revival. Structural policy fixes such as introduction of bankruptcy code to deal with bad debt problem, revival in rural demand, increased infrastructure spending and surge in private consumption, investment and exports is likely to drive India's growth to 7.4% in 2018-19. However, higher finance cost, rising oil prices, protectionist trade policies and slowdown in global growth are key downside risks.

Demonetisation of high-value currencies, together with the roll-out of the GST, has widened the tax base and is helping the country in moving towards the formalisation of the economy. Government's focus on uplifting the rural

economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country bodes well for the economy in the long run. India's jump on World Bank's Ease of Doing Business Index lends credibility to India's growth story and together with the "Make in India" initiative has resulted in attracting investors from across the globe. The government's comprehensive recapitalisation plan (recap) for public sector banks (PSBs) worth ₹ 2.11 trillion (1.3 per cent of the GDP) is likely to boost private investment and create employment opportunities. The resolution of non-performing assets (NPAs) is expected to set the stage for a capex revival over time.

The Reserve Bank of India is expected to go for a 25-basis points rate cut in key rates in its policy review meet in August on the back of normal monsoon forecast allaying inflation worries. This should provide additional impetus to the economic growth.

INDIAN INSURANCE SECTOR DEVELOPMENTS

Indian insurance market comprises of 24 life insurance companies, 31 general insurance companies, two Indian reinsurers and 8 branches of overseas reinsurers. The country houses 17% of the global population, however, the Indian insurance market accounts for less than 1.5% of the total global insurance premium.

Gross direct premiums for non-life insurance industry increased by 17.5% y-o-y in 2017-18 to ₹ 150,708.2 Crore as compared to ₹ 128,214.4 Crore in the previous year. Of this, the total gross premium of general insurers grew by 16.9%, ₹ 133,348.3 Crore in 2017-18 as compared to ₹ 114,023.9 Crore in the previous year. The gross direct premium of standalone private-sector insurers saw the sharpest rise of 41.6% in 2017-18 at ₹ 8,296.4 Crore as compared to ₹ 5,858.8 Crore in 2016-17.

The sector is expected to perform better this year owing to increasing penetration of the crop insurance scheme - Pradhan Mantri Fasal Bima Yojana and the national health insurance scheme.

The domestic life insurance industry registered 10.8% y-o-y growth for new business premium in 2017-18, generating a revenue of ₹ 193,866 Crore compared to ₹ 175,022 Crore in the previous year.

GIC Re went public and was listed on the bourses in October 2017. The Corporation received approval to set up syndicate at Lloyd's of London which is expected to enable it to broaden and diversify its international portfolio. The Corporation is expected to start operations in Lloyd's London office in the beginning of the fiscal year 2018-19.

Fiscal 2017-18 also saw listing of ICICI Lombard General Insurance Company (September 2017), SBI Life Insurance (October 2017), HDFC Standard Life (November 2017) and state-run New India Assurance Company (November 2017).

In December 2017, the Insurance Regulatory and Development Authority of India (IRDAI) allowed private equity investors to become promoters in unlisted insurance companies. The move is expected to enhance PE investments in the sector.

GLOBAL REINSURANCE INDUSTRY

Reinsurance has been playing a critical role in supporting the solvency and capital efficiency of insurance risk transfer since decades. Despite ongoing challenges created by low interest rates, lower returns and an increasingly complex regulatory environment, several leading reinsurers have managed to achieve positive growth over the past few years. An aging population in mature markets, progressive urbanization, ongoing formation of a stable

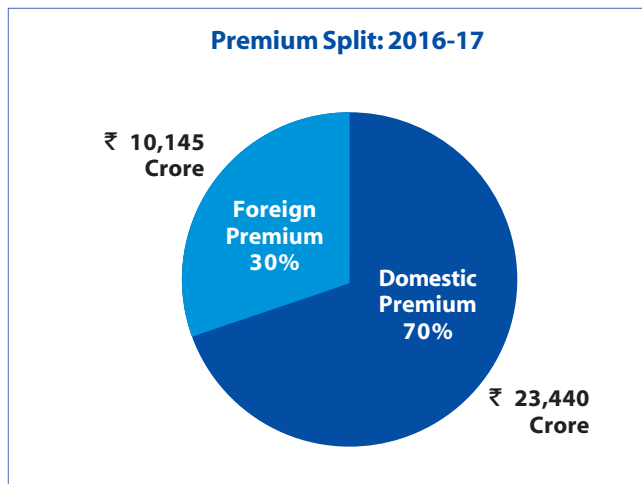
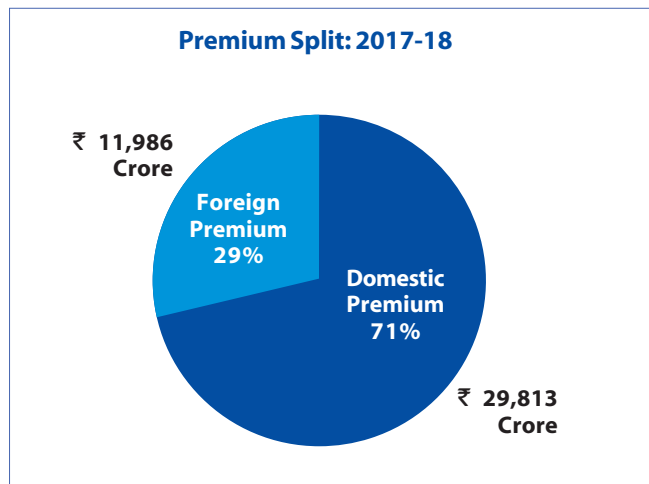
middle class, and changing socio-demographics in emerging markets continue to drive the growth in the industry. Changing macro economy and regulatory landscape along with demographic shifts and technological innovation pose both challenges and opportunities to the insurers and reinsurers.

Global non-life reinsurance premiums reached USD 170 billion in 2017, reflecting a growth of 3% in real terms. Based on estimates, the global non-life reinsurance industry faced catastrophic loss estimated around \$136 bn from the hurricane season in the Caribbean and the US in 2017. Harvey, Irma and Maria, the season's three major storms, are estimated to have caused significant insured losses. The combined ratio for 2017 is estimated to be around 110%, with most of the increase due to the hurricane losses, as well as a number of other natural catastrophes including Cyclone Debbie in Australia, earthquakes in Mexico, and wildfires in California and Southern Europe.

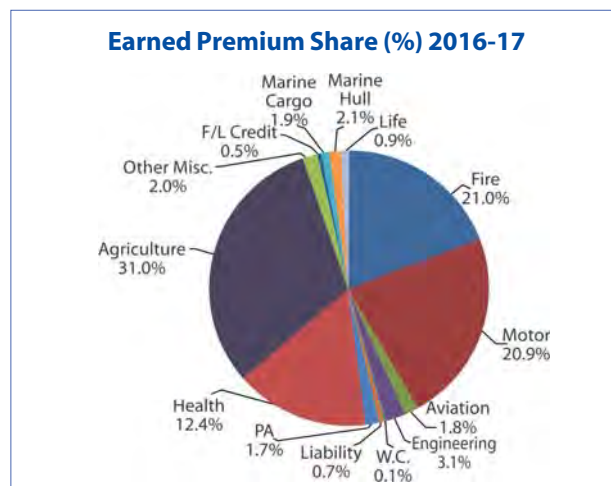
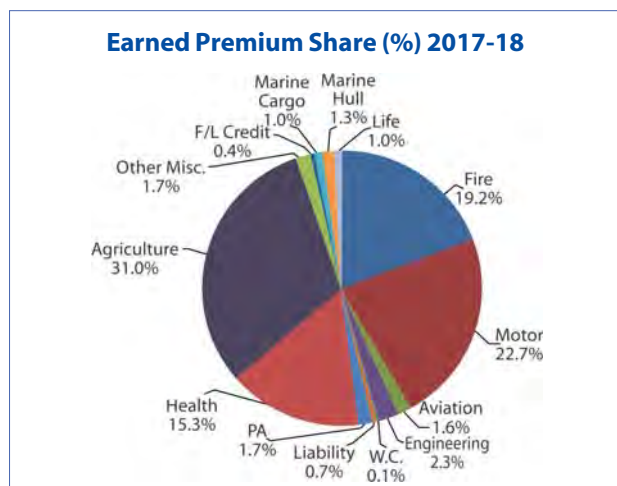
Apart from the unusually high burden from natural catastrophes, the reinsurance industry has also continued to suffer from the ongoing low interest rate environment and the overall softening of underwriting conditions. Some of the major challenges for the industry include the unwinding of quantitative easing, the progress of 'Brexit' negotiations, the impacts of US tax reform, increased regulatory oversight and trade protectionism.

As the insurance and reinsurance industry were well-capitalized ahead of the 2017 hurricanes, it managed to absorb the losses smoothly without affecting its underwriting capacity which remains intact for all lines of reinsurance. Reinsurance continues to fulfil its role in mitigating earnings volatility, controlling peak exposures, addressing reserving risk and providing capital relief.

INTERNATIONAL AND DOMESTIC BUSINESS COMPOSITION



EARNED PREMIUM BREAK UP



GIC'S BUSINESS PERFORMANCE

The Corporation's gross premium income during the year 2017-18 is ₹ 41,799 Crore and the income from investments was ₹ 5,392.03 Crore. Underwriting results show an overall loss of ₹ 1,497 Crore in 2017-18 compared to an underwriting loss of ₹ 606 Crore in the previous year. The ratio of total business expenses to the earned premium i.e. Combined Ratio stood at 104%. The Solvency Margin of the Corporation as on 31st March, 2018 was 1.72.

CLASS WISE PERFORMANCE

FIRE:

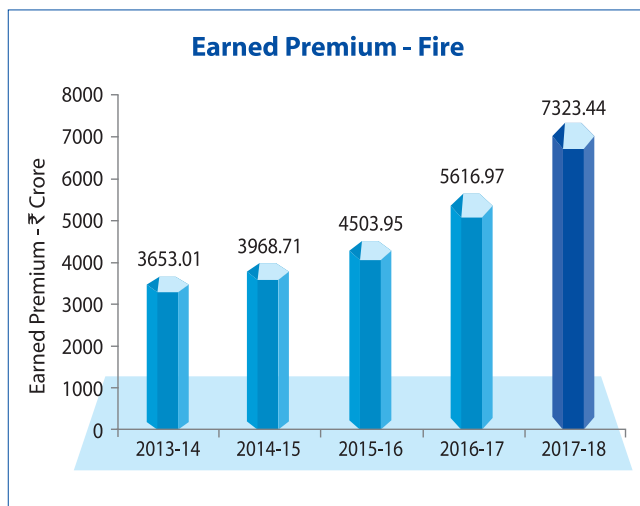
GIC Re's Earned premium for Fire Business for the year 2017 -18 was ₹ 7,323.44 Crore as compared to ₹ 5,616.97 Crore in the previous year.

The domestic premium has increased by 47.91% to ₹ 1,633.15 Crore from ₹ 1,104.15 Crore in the previous year. The foreign

premium grew by 26% to ₹ 5,690.29 Crore from ₹ 4,512.83 Crore in the previous year.

The overall incurred claims stood at ₹ 6,390.32 Crore compared to ₹ 4,385.03 Crore last year, which is an increase of 45.73%. This was mainly due to foreign Catastrophic Losses like Harvey, Irma and Maria Hurricanes and California Wildfires in USA, Typhoon Hato in China, Cape Storm in South Africa and Risk Losses like Mir Diamond mine in Russia, ADNOC/Ruwais Refinery in Abu Dhabi. The Major domestic risk losses during the year were Haldiram Snacks, Unicharm India and NTECL.

The fire portfolio made an underwriting loss of ₹ 897.33 Crore as compared to the loss of ₹ 496.24 Crore in the previous year. The combined ratio for fire stood at 112.3% as against 108.8% for last year.



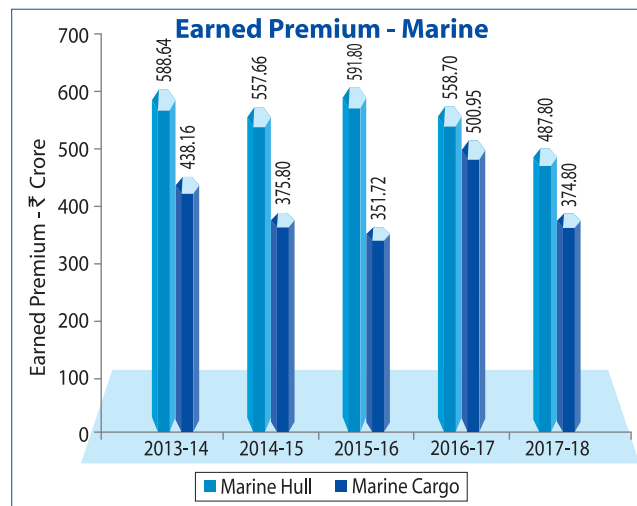
MARINE HULL

This year the performance of the sub-class is outstanding from the point of top line and bottom line as well. The premium income this financial year has shown a growth of over 31 percent over the expiry year with handsome underwriting profit of ₹ 228 Crore which is 46.8% of earned premium. The growth can be attributed to the quoting & participation in almost all port package risks and foreign energy reinsurance markets. The gross premium income this year stood at ₹ 882 Crore as compared to ₹ 673 Crore last year. Despite aggressive

pricing and soft market conditions in the domestic as well as foreign market, we have managed to attain growth in premium volume.

Out of three Branch Offices of GIC Re, Dubai branch has shown small increase in hull premium, while the other two branches have de-grown. GIC Re has made sustained efforts to maintain the underwriting discipline in the domestic market.

GIC Re continues to administer the Marine Hull Pool and Hull War Risk Scheme, monitoring the rates & terms. Port and coastal P&I segment have been our new area of focus where the results have also been encouraging. In the international market, we continue to focus on markets like China, South East Asia and Europe to improve the performance and spread of the portfolio.



MARINE CARGO

We have completed gross premium income of ₹ 446.31 Crore as against ₹ 444.60 Crore last year and maintaining a slender growth. The cargo performance was affected by the decision to scale down our exposure in Russia and come out of Iranian exposures due to sanctions. However, the performance was made possible with our focus on new territories like USA, Europe and South America. In the domestic market, we have either increased our participation or maintained our renewal line. We have maintained underwriting discipline in domestic

market although soft market conditions continue to prevail.

The portfolio has maintained its improvement both in premium and claim performances in domestic as well as foreign portfolios. We have therefore made substantial underwriting profit of ₹ 146 Crore i.e., 39% of earned premium. All our branches have also shown the positive trend in their performances as compared to last year, particularly our Dubai branch has witnessed significant turn-around in their underwriting performance, showing underwriting profit in marine cargo section. Our focus on new markets and positive trends in Indian economy would continue to drive growth in marine cargo business.

OIL AND ENERGY

GIC Re has adopted prudent as well as positive underwriting approach which has worked well in the Upstream Oil & Energy business segment, as the portfolio continues to grow at healthy rate of 25% over the previous year. Foreign business predominates with 80% of total upstream energy premium reflecting our position as global underwriter.

The global O&E capacities remain almost same and is further driving down premium volume. In spite of these challenges, we have increased our premium volume with improvement in underwriting results. Our combined ratio for 2017-18 stands at 36% and underwriting profit of 46.8% of earned premium (as above for hull) which shows the best underwriting practice adopted by us.

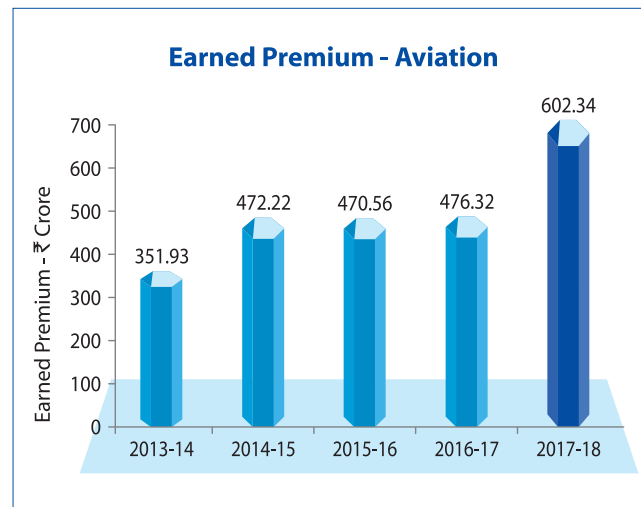
GIC Re would continue to explore more opportunities in the areas like Mexico, USA, Brazil, and GCC to improve our premium volume and get better spread and with recent upward cycle in crude oil prices this sector is expected to show revival and improvements.

AVIATION

The previous year witnessed continued softening trends in the first half but showed signs of firming up in the second half. The general tendency in the Q4 renewal season has not given any further reductions in pricing. Certain loss making risks were subject to significant rate increases. While the year was 3rd

safest year for the aviation industry, the main concern for underwriters now is the volume of attritional claims arising out of ever-increasing repair cost for modern aircraft equipment. GIC Re expects that the rates would firm-up further but is also mindful that they would still be below its expectations. Aligning the line-sizes, negotiating for optimum price and diversification would be its approach for the forthcoming year.

The change in market trends during July and December renewal, where GIC Re did see an increased premium growth. The earned premium for 2017-18 is ₹ 602.34 Crore against the earned premium of ₹ 476.32 Crore for 2016-17. The main contributor being the strategic alliance partner. GIC Re continues to be cautious and selective in its approach however unprecedented loss activity in a few accounts along with increased cost of attritional losses adversely impacted the combined ratio for the portfolio.



In 2018, Incurred loss for the year is ₹ 655.46 Crore. The major claims during the year were Pegasus Air, US Bangla Air, Hybrid Air, Starbow Air, Island Aviation, Cebu Air, PT Lion Air, Qatar Air and Sedena.

LIABILITY

The Liability portfolio is a growing sector both at international and domestic market.

Despite soft market, the market continued to experience a growth in Liability business, mainly due to increase in awareness of the corporate sector and various new covers available in the market. GIC Re has shown a growth of 74.48% as compared to 2016-17. Obligatory cessions continued to remain at 5% with capping limits of cession for both casualty and financial lines.

No major losses have been reported for the financial year 2017-18.

(₹ in Crore)

Particulars	2017-18	2016-17	Growth%
Gross Written Premium	407.24	233.40	74.48
Earned Premium	249.32	178.02	40.05
Incurred claims	97.59	101.41	(3.82)

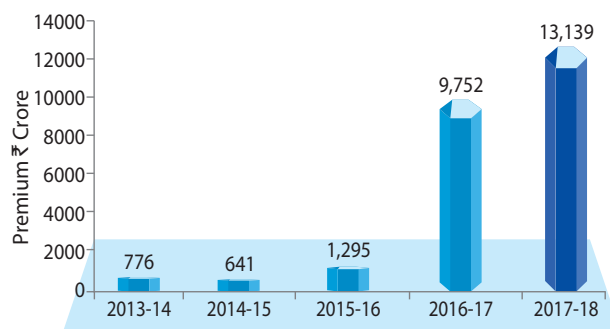
AGRICULTURE REINSURANCE

GIC Re's Agriculture portfolio has shown considerable growth in quantum, with a good balance & diversification, both in domestic and foreign business. GIC Re receives Agriculture foreign business from various countries predominantly Asia. In 2017-18, the Agriculture portfolio received opportunities to enter new markets in USA and Australia, among other countries.

In the domestic front, since 2016, GIC Re's Agriculture portfolio has been providing support to the Indian Agriculture insurance industry for implementation of the Pradhan Mantri Fasal Bima Yojana scheme (PMFBY), which comprises of both yield index based product and Restructured Weather Based Crop Insurance product.

The total Reinsurance premium for Agriculture portfolio has increased from ₹ 9,752 Crore in 2016-17 to ₹ 13,139 Crore in 2017-18. Out of GIC Re's total Agriculture RI premium in 2017-18, Indian market premium is ₹ 12,752 Crore while ₹ 387 Crore is written from rest of the world.

Agriculture Reinsurance



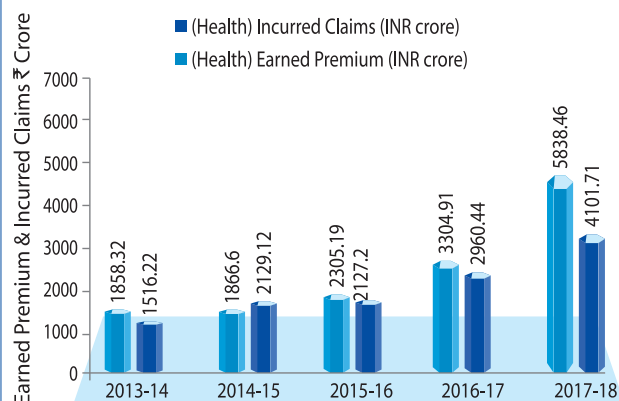
HEALTH

GIC Re Health portfolio comprises mostly of Obligatory cessions, some selective domestic treaties besides the Health business written by the foreign branches. For the year 2017-18, more proportional treaties under the Health class has resulted in a growth rate of 26.88% over the year 2016-17.

(₹ in Crore)

Particulars	2017-18	2016-17	Growth(%)
Gross Written Premium	5294.60	4172.88	26%
Earned Premium	5838.46	3304.91	76%
Incurred Claims	4101.71	2960.44	38%

Health



MOTOR

The Gross/Net Motor premium during the fiscal year was ₹ 8,045.55 Crore as against ₹ 6,624.39 Crore in the corresponding previous year, registering a growth rate of 21.5%.

Earned premium for the year stands at ₹ 8,638.82 Crore as compared to ₹ 5,592.06 Crore in the previous year, recording exceptional growth rate of 54.5%.

Incurred claims for the year were ₹ 6,321.83 Crore as compared to ₹ 5,388.67 Crore in previous year. This is an increase of 17.3% over previous year.

(₹ in Crore)

Particulars	2016-17	2017-18	Growth %
Gross Written Premium	6,624.39	8,045.55	21.5%
Earned Premium	5,592.06	8,638.82	54.5%
Incurred Claims	5,388.67	6,321.83	17.3%

We have been successful in retaining major accounts while expanding our footprint in both domestic and foreign markets. Our growth in domestic market at YOY rate of 17.1% is higher than market average for motor insurance business in India. Our foreign book is growing prominently at YOY rate of 36.7%.

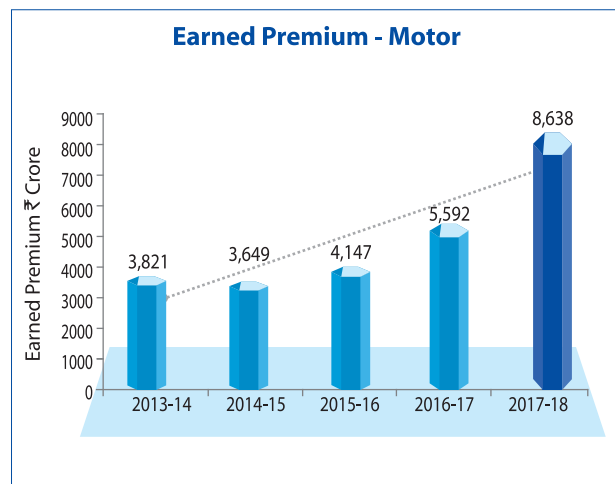
The percent growth in incurred claims by 17.3% this year is lesser than the corresponding percent growth of 38.2% last year. This increase is in line with the growing book size.

The fiscal year 2017-18 will be recorded in our books where Motor business yielded notable underwriting profit of ₹ 807.15 Crore.

The premium and growth split for domestic and foreign markets is outlined below:-

(₹ in Crore)

Gross Premium Split - Domestic vs Foreign				(GWP – GIC Re)	
Particulars	Total	Domestic	% of Total	Foreign	% of Total
2016-17	6,624.39	5,141.09	77.6%	1,483.30	22.4%
2017-18	8,045.55	6,018.10	74.8%	2,027.45	25.2%
YOY%	21.5%	17.1%		36.7%	



OTHER MISCELLANEOUS

The last year's figures in Other Miscellaneous includes Agriculture Insurance part which is now been reclassified and incorporated in Agriculture business. Hence, 2017-18 figures are showing the negative growth in comparison to previous year. High growth in incurred claims is due to IBNR & OSLR being reclassified & incorporated in Agriculture business. The department has been constantly endeavouring to provide sufficient capacity to cedants through treaty and facultative arrangements and also supporting new types of approved insurance covers.

(₹ in Crore)

Particulars	2017-18	2016-17	Growth(%)
Gross Written Premium	515.92	908.76	-43.23
Earned Premium	648.84	526.76	23.34
Incurred Claims	731.73	(53.46)	1468.74

LIFE REINSURANCE

In Life Insurance Business, India continues to be ranked 10th among the 88 countries. At present, there are 24 Life Insurance Companies operating in India (Source: IRDAI Annual Report 2016-17).

Indian Life Insurance has shown growth of 10.7% for new business premium for the year 2017-18. LIC has shown growth of 8.16% whereas Private Life Insurers have shown growth of 17.16%. (Source: IRDAI First Year Premium of Life Insurers as at 31st March, 2018).

Gross Life Re premium of the Corporation has increased to ₹ 437.71 Crore from ₹ 362.57 Crore in the previous year, a growth of 20.72%. Earned premium has increased significantly from ₹ 234.97 Crore to ₹ 378.94 Crore this year.

The Life Reinsurance Department is gaining experience in various life products by quoting as well as taking shares in the reinsurance arrangements for these products as per regulation 28(9) of IRDAI effective from 16th January, 2017, which grants the Indian Reinsurer the first

order of preference for placement of Life Reinsurance Business in India.

TERRORISM INSURANCE POOL

The Indian Market Terrorism Risk Insurance Pool was formed as an initiative by all the non-life insurance companies in India in April 2002, after terrorism cover was withdrawn by international reinsurer's post-9/11. The Pool has thus completed 16 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 ₹ 2,000 Crore per location for terrorism risk. Premium rates were revised downward under the Terrorism Pool arrangement w.e.f 1st April, 2014.

In order to improve the market penetration for Terrorism Risk Insurance with better marketing by Brokers/Agents, Brokerage of upto 5% was allowed w.e.f. 1st January, 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 2017-18 was ₹ 533.93 Crore and Claims paid by the Pool during 2017-18 were ₹ 19.46 Crore. No major losses were reported to the Pool during 2017-18.

SEGMENTWISE CLAIMS EXPERIENCE

(₹ in Crore)

Particulars	Financial Year	INDIAN			FOREIGN		
		Earned Premium	Incurred Claims	Incurred Claims Ratio	Earned Premium	Incurred Claims	Incurred Claims Ratio
Fire	2017-18	1633.15	1237.47	75.8%	5690.29	5152.85	90.6%
Fire	2016-17	1104.15	1368.03	123.9%	4512.83	3017.00	66.9%
Engineering	2017-18	441.40	163.11	37.0%	453.78	289.81	63.9%

Particulars	Financial Year	INDIAN			FOREIGN		
		Earned Premium	Incurred Claims	Incurred Claims Ratio	Earned Premium	Incurred Claims	Incurred Claims Ratio
Engineering	2016-17	404.59	44.31	11.0%	412.83	325.24	78.9%
Marine	2017-18	328.11	-97.13	-29.60%	534.50	363.50	68.0%
Marine	2016-17	432.60	401.75	92.9%	627.01	354.16	56.5%
Misc. Other	2017-18	17795.03	17071.31	95.9%	1599.70	1382.96	86.5%
Misc. Other	2016-17	11557.08	8921.54	77.2%	1360.44	1046.49	76.9%
Life	2017-18	361.56	424.55	117.4%	17.38	-12.18	-70.1%
Life	2016-17	246.83	324.61	131.5%	-11.86	20.12	-169.6%
Aviation	2017-18	53.08	94.72	178.4%	549.25	560.74	102.1%
Aviation	2016-17	22.34	11.64	52.1%	453.99	422.85	93.1%
Motor	2017-18	6930.39	4705.46	67.9%	1708.44	1616.38	94.6%
Motor	2016-17	4220.36	4394.86	104.1%	1371.70	993.81	72.5%
Total	2017-18	27542.71	23599.50	85.7%	10553.34	9354.05	88.6%
Total	2016-17	17987.95	15466.74	86.0%	8726.94	6179.67	70.8%

INVESTMENT

Indian Economy 2017-18

The launch of Goods and Service Tax (GST), the Prime Minister 'Saubhagya' scheme, (Through this scheme, the government would supply electricity to all household by the end of 2018) and Udaan scheme (air regional connectivity scheme) were the key highlights of 2017-18.

The Indian Economy has sustained a macro-Economic environment of relatively lower inflation, fiscal discipline and moderate current account deficit coupled with broadly stable rupee dollar exchange rate. The growth rate of GDP by Central Statistic Office for the FY 2017-18 has been estimated at 6.6% as against 7.1% in previous FY 2016-17.

The year 2017-18 has been marked with some major transformational economic reforms such as the implementation

of the GST regime and reforms-directed at the banking as well as corporate sector, by way of the new Indian Bankruptcy Code (IBC). The second half of the fiscal year witnessed a revival of sorts as global recovery boosted exports. India jumped 30 places on the Ease of Doing Business rankings also received a sovereign ratings upgrade for the first time in 14 years, validating the reforms.

Assets under management (AUM) for the Indian mutual fund industry rose by ₹ 1.06 trillion to ₹ 22.41 trillion in January 2018, as per the latest AMFI data. Indian Mutual Funds have currently about ₹ 2.11 crore (₹ 21.1 million) SIP accounts through which investors regularly invest in Indian Mutual Fund schemes.

The Reserve Bank of India kept the repo rate unchanged at 6% in FY 2017-18. The Reserve Bank of India in its December review had kept the benchmark interest rate unchanged on concerns of a possible price rise.

Bond yields have been volatile and have risen significantly over the past few months of year 2017-18 mainly because of heavy supply of securities, higher inflation and fiscal deficit among others. Yield on the 10-year benchmark bond increased by nearly 50 bps and traded in a band of 7.33-7.77% in March 2018.

Foreign direct investment (FDI) in India increased by about 3 per cent in 2017-18 on account of steps taken by the government to improve business climate and liberalized policy norms.

In the last four years, the government has liberalized FDI norms in sectors such as defence, medical devices, construction development, retail and civil aviation. The main sectors that received maximum foreign in flows include services, computer software and hardware, telecommunications, construction, trading and automobile

According to the world bank, the Indian economy is likely to grow at 7.5% in 2018-19 and Goods and Services Tax (GST) and demonetization is expected to have a positive impact, on Indian economy which will help foster a clean and digitized economy in the long run.

Based on IRDAI 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 ₹ 47,816.52 Crore from ₹ 39,126.27 Crore showing an increase of ₹ 8,690.25 Crore representing a growth of 22.21% over the previous year. Income from investments stood at ₹ 5,215.26 Crore with a mean yield on funds at 12%. The net non-performing assets percentage was at 0.56%.

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 risk, wherever necessary, the Corporation arranges for facultative retro. CAT protection has also been arranged for selected business and territories in respect of Foreign Inward business. Placements have been made with securities meeting the stipulations laid down by the Regulator. There are no new cessions to the Structured Solution as the contract has not been renewed effective 1st June, 2017. The Non-Marine Domestic Risk cum Cat layers and the Non-Marine Foreign Cat XOL layer which were earlier part of the Structured Solutions were placed along with the traditional programmes w.e.f. 1st June, 2017. Following Board Resolution not to renew the Structured Solutions Contract, coverages in respect of other COBs ceded under the Structured Solutions are attached to respective traditional programmes of those COBs.

FUTURE OUTLOOK

An important economic phenomenon in recent decades is economic convergence — the process whereby emerging economies reduce the gap vis-à-vis developed economies in terms of per capita income, standard of living and prosperity. As India progresses further along the path from lower-middle-income to upper-middle income country status, there is growing prosperity and possibility of eradication of poverty which was difficult to envision even a couple of decades back. The robust growth in economic sphere should result in higher standard of living, greater disposable incomes and pursuit of security, stability, assurance and sustainability. This would all lead to formalisation of economy and greater financialisation. GST with its initial glitches being sorted out is now expected to prove to be a robust tax reform measure improving compliance and ease of business and bolstering government resources, further enhancing governmental capacity to provide subsidies which can now be targeted with great efficiency.

To achieve this for some subsidies, the most important tool is insurance whether life or non-life. Insurance helps protect income levels by absorbing expenditure as also protects asset accretion through transfer of costs of catastrophes. As Indian insurance sector traces its growth trajectory along the s-curve, the future of insurance looks brighter than ever before. With governmental emphasis on sustainability and widening and deepening the financial inclusion with greater social security, insurance will emerge as an important tool to achieve this macro-economic policy objectives.

Pradhan Mantri Fasal Bima Yojana and Aayushman Bharat are examples of government policy initiatives in this regard. The PMFBY has entered its third year of operation, albeit with some decline in farmers' enrolment. Loanee farmers constitute about 80% of the enrolment under the PMFBY. This shows that it has got some traction among non-loanee farmers as well.

Ayushman Bharat - National Health Protection Mission will cover about 10 Crore poor and vulnerable families (approximately 50 Crore beneficiaries), providing coverage upto ₹ 5 lakh per family per year for secondary and tertiary care hospitalization. This will be an entitlement based scheme with entitlement decided on the basis of deprivation criteria.

Globally the insurance markets have become saturated and players in those markets are seeking and lobbying for access to growth markets of emerging economies. Globally insurance industry growth rate can be expected in the range of 2-4% while it is in double digits in India and there is tremendous potential that is to be tapped. This is reflected in the insurance penetration levels. Penetration is measured as insurance premium in the country as percentage of Gross Domestic Product. Comparing Indian insurance penetration level of about 4% with global average clearly indicates the potential. However, global average itself is deflated by low penetration in Africa and Asia. When adjusted for advancement to the level of developed economy over next 3-4 decades which will be a continuous evolutionary process, the potential will look still more impressive. Apart from this, the penetration levels of developed economies are against

the backdrop of aging and aged population. Again, adjusting for India's demographic profile for next couple of decades, the scope for insurance sector growth looks truly astounding. Another important shift that happens alongside the transition from the emerging to developed economy is the shift from property based insurance to liability based exposures. This throws up a different growth trajectory for the sector itself as intangible assets and exposures overtake tangible assets which need protection. Emerging perils such as cyber insurance and persistent phenomenon of medical advancements and medical inflation continue to provide significant growth momentum for the insurance sector.

While advancements in industrial safety are quite encouraging, emerging automated driving threaten the existence of motor class over the next few decades, if not longer, there are enough perils and hazards, threats and dangers which will propel the growth of the sector.

A very important driver of insurance sector is emerging from the sustainability focus of governments world over such that resilience is built into the economic policy making and planning itself. This has very important implications for the insurance sector since globally very significant proportion of population and assets are located in coastal cities and climate change presents substantial threats to this wealth accumulation owing to rising sea levels.

Climate change is an important phenomenon which threatens stability of agricultural yields jeopardizing farmer welfare. At the same time, it is threatening city conglomerations, some in coastal zones. With increasing global integration, an event in one place has cascading effect on a much wider geographical scale. This brings under focus the need to provide protection against substantial volatility.

Governmental thrust, targetted subsidies, tapping technology to promote efficiencies and feasibility of curbing moral hazard apart from facilitating deepening of penetration – all augur quite well for the insurance sector, both in terms of the growth prospects and profitability trends.

In accordance with Part IV of Schedule A 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 2017-18.

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

United Arab Emirates, Israel, Taiwan, Indonesia, USA, Saudi Arabia, South Africa, Turkey, Vietnam, South Korea.

Exposures written from Worldwide territories are covered for a limit of USD 200 Mln., and up to USD 250 Mln. for selected countries in Asia by purchase of Catastrophe protection beyond the Corporation's authorized retentions. Specific risk protection was available for Middle East for a limit of USD 25 Mln Xs USD 15 Mln.

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 portion of the claims recoverable under the reinsurance obligation of the corporation are settled with the reinsured as per agreed arrangements; i.e. through cash calls and periodical account statements. Additionally, claims in respect of run-off aviation policies issued prior to being designated as an Indian reinsurer are settled to the insured. The position of outstanding claims under the categories of Indian, Foreign Inward and Aviation Business are as disclosed in Note No. 20 of the disclosure forming part of the 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.9.

12. Declares that the review of asset quality and performance is as mentioned below for Loans and Investments:

INVESTMENTS

The book value of the investment as on 31st March, 2018 has increased to ₹ 47,816.52 Crore from ₹ 39,126.27 Crore. The realizable value of investments is at ₹ 77,650.79 Crore as on 31st March, 2018 showing an appreciation of 62.39% over book cost. Income from investment including Profit on Sale amounted to ₹ 5,215.26 Crore as against ₹ 4,515.61 Crore in the previous year. Out of the total investment of ₹ 47,816.52 Crore, ₹ 17,459.40 Crore are invested in Government Securities and State guaranteed Bonds. Book Value of equity shares is at ₹ 9,690.48 Crore and market value stood at ₹ 39,445.61 Crore showing an appreciation of ₹ 29,755.14 Crore (307.06%).

Out of the Investment, loan as on 31st March, 2018 stood at ₹ 279.79 Crore compared to ₹ 319.70 Crore in the previous year. Out of the total loan amount of ₹ 279.79 Crore, ₹ 272.95 Crore are either secured or guaranteed by the Government bodies representing 97.56% and the balance ₹ 6.84 Crore are unsecured. Interest income from loans amounted to ₹ 72.56 Crore. Standard performing assets account for ₹ 216.10 Crore and an amount ₹ 63.69 Crore has been provided for the non-performing assets.

The Corporation has complied with the regulation of investments prescribed by IRDAI for 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 IRDAI regulations) and made judgements 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 and of the operating profit and net profit of the corporation for the year.
 - iii. The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, Insurance Law (Amendment) Act 2015 (to the extent notified), Companies Act, 2013, for safeguarding the assets of the corporation 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 : 25th May, 2018

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:**
L67200MH1972GOI016133
- Name of the Company:** General Insurance Corporation of India
- Registered address:** 'Suraksha', 170, J. T. Road, Churchgate, Mumbai - 400020
- Website:** www.gicofindia.com
- E-mail id:** info@gicofindia.com
- Financial Year reported:** 2017-18
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

Group	Class	Sub-Class	Description
652	6520	65020	Reinsurance This class includes the activities of assuming all or part of the risk associated with existing insurance policies originally underwritten by other insurance carriers.

- List three key products/services that the Company manufactures/ provides (as in balance sheet):**
Reinsurance
- Total number of locations where business activity is undertaken by the Company**

- Number of International Locations (Provide details of major 5)

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

- Number of National Locations

Head Office of the Corporation is located in Mumbai and has two liaison offices located in Delhi & Chennai and presence in GIFT CITY, Gujarat.

- Markets served by the Company – Local/State/ National/International**

We serve national as well as international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR):** ₹ 4386,000,000.00
- Total Turnover (INR):** ₹ 417,993,684,320.84 (Gross Premium)
- Total profit after taxes (INR):** ₹ 32,335,846,046.52
- Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 0.48%
- List of activities in which expenditure in 4 above has been incurred:**

The list of activities is available on the website of the Corporation at the link – <https://www.gicofindia.com/en/csr-corner>.

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?**

Yes, the Corporation have two Wholly Owned subsidiaries and the details are as under:

- GIC Re South Africa Ltd.
- GIC Re, India, Corporate Member Ltd.

- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

No.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

DIN No.	Name	Designation
07394437	Smt. Alice G. Vaidyan	Chairman cum Managing Director

(b) Details of the BR head

S. No.	Particulars	Details
1	DIN Number	08036523
2	Name	Smt. Sashikala Muralidharan
3	Designation	Director & General Manager
4	Telephone number	022 22867531
5	E-mail id	msashikala@gicofindia.com

2. Principle-wise (as per NVGs) BR Policy/policies

The 9 principles of the National Voluntary Guidelines are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	The Corporation has all the policies mandated by Companies Act, 2013, IRDAI or SEBI (LODR) Regulations, 2015.								

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
2	Has the policy being formulated in consultation with the relevant stakeholders?	The policies have been framed in adherence to the guidelines issued by Ministry of Corporate Affairs, IRDAI and SEBI.								
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	The policies relating to all the Principles conform to National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by Ministry of Corporate Affairs, Government of India in the year 2011.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online?	www.gicofindia.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies are communicated to relevant stakeholders and periodically reviewed after taking inputs, wherever necessary.								
8	Does the company have in-house structure to implement the policy/ policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Corporation was listed on 25 th October, 2017 and would strive to evaluate working of the policies in due course.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	N.A.								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	N.A.								

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
3	The company does not have financial or manpower resources available for the task	N.A.								
4	It is planned to be done within next 6 months	N.A.								
5	It is planned to be done within the next 1 year	N.A.								
6	Any other reason (please specify)	N.A.								

3. Governance related to BR

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The Corporation was listed on 25th October, 2017 and would endeavour to review and assess its BR initiatives annually.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Corporation has published the BR Report in its Annual Report for F.Y. 2017-18 and would be hosted in Corporation's website www.gicofindia.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?**

Yes, the Code of conduct for Directors and Senior Management Personnel is applicable to the Directors and Senior Management Personnel of the Corporation. The General Insurance (Conduct, Discipline and Appeal) Rules, 2014 and Whistle Blower Policy are applicable to all employees of the Corporation.

Every year, the Corporation celebrates Vigilance Awareness Week and all the employees of the

Corporation take Integrity Pledge to be vigilant and commit to highest standards of honesty and integrity at all times and support the fight against corruption.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The number of complaints received from shareholders in FY 2017-18 was 186 and all the complaints were satisfactorily resolved by the Corporation.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Corporation provides various types of reinsurance support for the sustainable and successful implementation of the following Government initiatives targeted for rural and social sectors:

- (a) RSBY (Rashtriya Swastha Bima Yojana)
- (b) PMFBY (Pradhan Mantri Fasal Bima Yojana)
- (c) PMJJY (Pradhan Mantri Jeevan Jyoti Yojana)

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- (a) **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

Not applicable considering the nature of business of the Corporation.

- (b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Not applicable considering the nature of business of the Corporation.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

- (a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Not applicable considering the nature of business of the Corporation.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

- (a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Not applicable considering the nature of business of the Corporation.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage**

of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Not applicable as it is not a manufacturing company.

Principle 3

1. **Please indicate the Total number of employees** - 581
2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis** - 26
3. **Please indicate the Number of permanent women employees** - 197
4. **Please indicate the Number of permanent employees with disabilities** - 14
5. **Do you have an employee association that is recognized by management** - Yes
6. **What percentage of your permanent employees is members of this recognized employee association?**
99% employees are members (other than Management Category)
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

- (a) **Permanent Employees:** 100%

- (b) **Permanent Women Employees:** 100%

- (c) **Casual/Temporary/Contractual Employees:** NIL

- (d) **Employees with Disabilities:** 100%

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Corporation has mapped its internal and external stakeholders and engages with them in order to have synergetic relationship.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the Corporation in its CSR policy has identified and included the following for implementation of various CSR projects/activities/initiatives:

- Development of Backward regions
- Upliftment of marginalized and under privileged sections of the society.
- Promotion of Green and energy efficient technologies

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes. The Corporation undertook various CSR projects including the following:

Project Name	Beneficiaries
Swachh Bharat Abhiyan	Supported cleaning of Beaches in Mumbai
Akshaya Patra	Provided mid-day meal to children
GIC Vriksharopan Abhiyan	Plantation program for increasing the forest cover

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the

Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Corporation is committed to ensure fair practices, equal opportunities, gender neutrality and freedom of association at all spheres of operation.

The policies of the Corporation including Code of conduct for Directors and Senior Management Personnel, Whistle Blower Policy and The General Insurance (Conduct, Discipline and Appeal) Rules, 2014 are intended to ensure fairness in operations as per all applicable legislations.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Corporation has not received any complaints from stakeholders in the reporting year.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The CSR Policy covers only the Corporation.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Environment protection and promotion of green and energy efficient technologies are two major thrust areas of CSR activities incorporated in the CSR policy of the Corporation. Hence, the CSR department tries to address and initiate CSR projects focusing the two thrust areas. Link – <https://www.gicofindia.com/en/csr-corner>.

3. Does the company identify and assess potential environmental risks? Y/N

The CSR department tries to focus on CSR projects which would help to reduce environmental risks and carbon emission footsteps.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

No.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Not applicable considering the nature of business of the Corporation.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Not applicable considering the nature of business of the Corporation.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) Association of Insurers & Reinsurers of Developing Countries INC.
- (b) Singapore Reinsurers Association

(c) International Underwriting Association

(d) General Insurance Council

(e) International Insurance Society

(f) Risk & Insurance Management Society

(g) Indian Register of Shipping

(h) Federation of Afro-Asian Insurers & Reinsurers (FAIR)

(i) The Associated Chambers of Commerce Industry of India (ASSOCHAM)

(j) Federation of Indian Chamber of Commerce & Industry (FICCI)

(k) Indian Merchants Chamber

(l) FAIR Oil & Energy Syndicate

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Corporation uses various associations, forums etc. to put forward its opinion from industry point of view. The Corporation also provides technical inputs/statistics and take part in Committees for framing policies by Government/regulatory bodies/associations.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

GIC Re as a company supports approximately 45% of the individual agriculture market who in turn insure individual farmers across the country thereby supporting large group of farmers who are otherwise subjected to vagaries of nature.

The Corporation believes that human talent is an asset for equitable development and inclusive growth. We have a robust recruitment policy which selects great talent from across the country. We also have a robust training policy which helps the officers to achieve a competitive edge as the business needs, skills requirements, and the complexity of the external environments are rapidly evolving and to acquire new skills, sharpen existing ones, perform better, increase productivity and be better leaders.

2. Are the programmes /projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Most of the CSR programmes are implemented through NGOs.

3. Have you done any impact assessment of your initiative?

As per our guidelines, impact assessment of the CSR projects is done by the NGOs who carry out the activities and are then shared with us. Most of the projects are still in the implementation stage.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The CSR department of GIC Re undertakes Community Development Projects through NGOs. The projects seek to strengthen the community which improves their quality of life. Further details of the projects mentioned below are available in the website:

Sr. No.	Name of NGO	Item	Location	Amount Sanctioned (₹)
1	Dilasa Sanstha	Watershed Management	Jalna, Maharashtra	58,28,940.00
2	Parivar Education Society	Construction of Girls Hostel	Kolkata, West Bengal	30,94,560.00
3	BMVSS Bangalore	Jaipur foot camp	Bangalore, Karnataka	25,00,000.00
4	Amar Seva Mandal	Construction of science lab	Aikkudy, Tamil Nadu	23,22,000.00
5	Rural Development Trust	Healthcare care infrastructure	Ananthapur, Andhra Pradesh	19,08,176.00
6	BMVSS Jaipur	Contribution of funds	Jaipur, Rajasthan	15,92,000.00
7	BMVSS Ahmedabad	Jaipur foot camp	Vijapur, Gujarat	14,75,285.00
8	Helpers of Handicap	Construction of Vocational Centre	Kolhapur, Maharashtra	12,50,000.00
9	DHAN Tank Vayagalam Foundation	Watershed Management	Tumkur, Karnataka	12,40,000.00
10	Samaritan Help Mission	Industrial Tailoring	Howrah, West Bengal	9,67,000.00
11	BMVSS Mumbai	Jaipur foot camp	Daund, Maharashtra	8,19,069.00

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

GIC Re collaborates with NGOs for CSR projects. The NGOs monitor the project starting from need assessment exercises to the analysis of the impact of the projects. Most of the projects conducted in the FY 2017-18 as mentioned above have aided in community development.

- (a) *DHAN Tank Vayagalam Foundation* – 60 tanks were constructed in Pavagada Block of Tumkur District which aided the local farmers and households. We were informed that on account of good rainfall last year most of the tanks were filled to its capacity which helped in equitable development in the concerned villages.
- (b) *Dilasa Sanstha* – Watershed management project was carried out in Jalna District, Maharashtra in 13 villages. Over the project implementation period, 74 Dohas were built. Water lifting Pumps were also installed at the villages. Awareness programmes on efficient usage of water, afforestation and horticulture promotion were conducted with farmer groups. Small SHGs were created to take ownership of various activities conducted by the NGO.
- (c) *BMVSS* – Mobile Jaipur Foot camp was conducted in 4 locations – Mehsana, Gujarat; Daund, Maharashtra; Jaipur, Rajasthan and in Bangalore, Karnataka. The beneficiaries were provided with crutches, calipers and other accessories according to their need. Approximate 2000 underprivileged people were benefitted from these four projects.
- (d) *Parivar Education Society* – They have approximately 1500 children (boys and girls) who have either lost both the parents or have only mother who is in very difficult circumstances of deprivation. These are children of high vulnerability prone to exploitation, child labor, vulnerability of

being used by anti-social elements, child labour, conditions of homelessness etc.

The children are educated here (which includes lodging and boarding) starting from grade one to graduation. 50% of these children are from highly impoverished tribal pockets from districts of Bankura, Purulia, Midnapore (W), Birbhum West Bengal and Singhbhum, Saraikela, Ranchi and Giridih in Jharkhand.

Principle 9

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

The Corporation is engaged in B2B transactions, providing reinsurance services to its customers.

The Corporation always try to improve quality of service to all its customers and there are no pending complaints for the period ended 31st March, 2018.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

Not applicable considering the nature of business of the Corporation.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There are no complaints relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior pending against the Corporation at the end of the Financial year.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Corporation has not carried out any consumer survey/ consumer satisfaction trends.

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 31st March, 2018, 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 and one Domestic Branch 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 judgements 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 judgement, 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 Companies 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, 2018 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

We draw attention to Note no. 50 to the financial statement in respect of irregularities detected in acceptance of reinsurance contracts and short collection of premium by an employee. Total loss incurred by the Corporation on account of such unauthorised transaction is ₹ 443,500 thousand till the date of the Balance Sheet. 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 and one domestic branch included in the standalone financial statements of the Corporation whose financial statements/financial information reflect total assets of ₹ 64,798,768 thousand as at 31st March, 2018 and total revenues of ₹ 34,512,157 thousand 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 52)** 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 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 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.1(a) & 6]
 - ii. The Annual Investment Policy, 2017-18 of the Corporation, as approved by the Board, has not prescribed any stop-loss limits in respect of the investment activity. Stop-loss limits have been prescribed, under the said policy, in respect of scrips forming part of the equity trading portfolio. However, the Corporation has not carried out any trading activity in equity during the year under consideration.
 - iii. During the year under audit the Corporation has entered/renewed/signed 12 Capital Gearing Reinsurance Treaties. In the absence of any specific IRDAI Guidelines on accounting of such treaties, the accounting is done by the Corporation on the basis of the accounting policy adopted by the Corporation for other treaties except that no Unexpired Risk Reserve is created on such treaties in view of the fact that the loss, to the extent of loss-ratio specified in each treaty, is already provided for during the year.
- 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 47(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.
- o. 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 ₹ 682 thousand 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 Nuclear Pool. The financial statements of the Corporation do not include the investments, assets and liabilities pertaining to the pool.
- 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}

Sanjeev Lalan
Partner
Membership No. 045329

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

Adhar Samria
Partner
Membership No. 049174

Place : Mumbai
 Date : 25th May, 2018

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 31st March, 2018 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 31st March, 2018, 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}

Sanjeev Lalan
Partner
Membership No. 045329

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

Adhar Samria
Partner
Membership No. 049174

Place : Mumbai
Date : 25th May, 2018

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 31st MARCH 2018.

The preparation of financial statements of General Insurance Corporation of India for the year ended 31st March, 2018 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 the 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 under on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25th May, 2018.

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 31st March, 2018. 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. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comments upon or supplement to statutory auditor's report.

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

(Roop Rashi)

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

Place : Mumbai
Dated : 26th July, 2018

Financial Information



Registration No. 112

Date of Registration with IRDAI : 2nd April 2001

**REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018
IN RESPECT OF FIRE INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	73234 449	56169 737
2. Profit on sale of Investments (Net)		3756 146	3881 559
3. Forex Gain/(Loss)		(114 566)	(115 812)
4. Interest, Dividend & Rent - Gross		6352 655	6417 824
Total (A)		83228 684	66353 308
1. Claims Incurred (Net)	2	63903 197	43850 303
2. Commission (Net)	3	17629 858	16540 122
3. Operating Expenses related to Insurance Business	4	560 170	625 864
4. Expenses relating to Investments		7 994	8 584
5. Premium Deficiency		0	0
Total (B)		82101 219	61024 873
Operating Profit/(Loss) from Fire Business C = (A-B)		1127 465	5328 435
APPROPRIATIONS			
Transfer to Shareholders' Account		1127 465	5328 435
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		1127 465	5328 435

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}

SANJEEV LALAN

Partner
Membership No.: 045329

Mumbai

Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital

Director

G Srinivasan

Director

V Ramasamy

Director

G B Pande

Director

V C Jain

GM Finance & CFO

Usha Sangwan

Director

Atanu Kumar Das

Director

A P Singh

Director

Y Ramulu

Director & GM

Suchita Gupta

Company Secretary

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

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018
IN RESPECT OF MISCELLANEOUS INSURANCE BUSINESS

	Schedule	Current Year (₹'000)	Previous Year (₹'000)
1. Premiums earned (Net)	1	295310 723	198033 421
2. Profit on sale of Investments (Net)		9692 500	6653 641
3. Forex Gain/(Loss)		(387 157)	(165 928)
4. Interest, Dividend & Rent - Gross		16392 630	11001 222
Total (A)		321008 696	215522 356
1. Claims Incurred (Net)	2	258844 922	161607 382
2. Commission (Net)	3	43910 588	35839 574
3. Operating Expenses related to Insurance Business	4	1528 033	1684 283
4. Expenses relating to Investments		20 627	14 714
5. Premium Deficiency		0	0
Total (B)		304304 170	199145 953
Operating Profit/(Loss) from Miscellaneous Business C = (A-B)		16704 526	16376 403
APPROPRIATIONS			
Transfer to Shareholders' Account		16704 526	16376 403
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		16704 526	16376 403

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}

SANJEEV LALAN

Partner
 Membership No.: 045329

Mumbai

Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
 {Firm Regn No. 109043W}

ADHAR SAMRIA

Partner
 Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital

Director

G Srinivasan

Director

V Ramasamy

Director

G B Pande

Director

V C Jain

GM Finance & CFO

Usha Sangwan

Director

Atanu Kumar Das

Director

A P Singh

Director

Y Ramulu

Director & GM

Suchita Gupta

Company Secretary

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

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018
IN RESPECT OF MARINE INSURANCE BUSINESS

Particulars	Schedule	Current Year (₹'000)	Previous Year (₹'000)
1. Premiums earned (Net)	1	8626 008	10596 088
2. Profit on sale of Investments (Net)		687 707	942 400
3. Forex Gain/(Loss)		(27 241)	(25 854)
4. Interest, Dividend & Rent - Gross		1163 097	1558 177
Total (A)		10449 571	13070 811
1. Claims Incurred (Net)	2	2663 724	7559 059
2. Commission (Net)	3	2132 485	1603 210
3. Operating Expenses related to Insurance Business	4	56 222	63 385
4. Expenses relating to Investments		1 464	2 084
5. Premium Deficiency		0	0
Total (B)		4853 895	9227 738
Operating Profit/(Loss) from Marine Business C = (A-B)		5595 676	3843 073
APPROPRIATIONS			
Transfer to Shareholders' Account		5595 676	3843 073
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		5595 676	3843 073

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}

SANJEEV LALAN

Partner
Membership No.: 045329
Mumbai
Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital

Director

G Srinivasan

Director

V Ramasamy

Director

G B Pande

Director

V C Jain

GM Finance & CFO

Usha Sangwan

Director

Atanu Kumar Das

Director

A P Singh

Director

Y Ramulu

Director & GM

Suchita Gupta

Company Secretary

Registration No. 112

Date of Registration with IRDAI : 2nd April 2001
REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018
IN RESPECT OF LIFE INSURANCE BUSINESS

Particulars	Schedule	Current Year (₹'000)	Previous Year (₹'000)
1. Premiums earned (Net)	1	3789 365	2349 737
2. Profit on sale of Investments (Net)		109 361	36 617
3. Forex Gain/(Loss)		(4 347)	(718)
4. Interest, Dividend & Rent - Gross		184 958	60 542
Total (A)		4079 337	2446 178
1. Claims Incurred (Net)	2	4123 656	3447 332
2. Commission (Net)	3	28 593	61 100
3. Operating Expenses related to Insurance Business	4	19 963	23 738
4. Expenses relating to Investments		233	81
5. Premium Deficiency		0	0
Total (B)		4172 445	3532 251
Operating Profit/(Loss) from Life Business C = (A-B)		(93 108)	(1086 073)
APPROPRIATIONS			
Transfer to Shareholders' Account		(93 108)	(1086 073)
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		(93 108)	(1086 073)

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}

SANJEEV LALAN

Partner
Membership No.: 045329
Mumbai
Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital

Director

G Srinivasan

Director

V Ramasamy

Director

G B Pande

Director

V C Jain

GM Finance & CFO

Usha Sangwan

Director

Atanu Kumar Das

Director

A P Singh

Director

Y Ramulu

Director & GM

Suchita Gupta

Company Secretary

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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018

Particulars	Schedule	Current Year (₹'000)	Previous Year (₹'000)
1. Operating Profit/(Loss)			
(a) Fire Insurance		1127 465	5328 435
(b) Marine Insurance		5595 676	3843 073
(c) Miscellaneous Insurance		16704 526	16376 402
(d) Life Insurance		(93 108)	(1086 073)
2. Income from Investments			
(a) Interest, Dividend & Rent - Gross		9818 498	9552 386
(b) Profit on sale of Investments		5805 401	5777 371
Less: Loss on sale of Investment		0	0
3. Other Income:			
Interest on Income-tax Refund		73 008	166 816
Miscellaneous Receipts		35 451	5 263
Total (A)		39066 917	39963 673
4. Provision for Doubtful Loans & Investment		402 002	293 993
5 Provision/(written off) for Doubtful Debts		874 993	2301 651
6 Amortisation of premium on Investments		260 835	185 152
7 Diminution in the value of investments written off		203 200	556 439
8 Other Expenses :			
Expenses relating to Investments		12 355	12 776
Forex Loss/(Gain)		230 262	156 455
(Profit)/Loss on sale of Assets (Net)		27	2 216
Interest & Others		93 662	56 165
Corporate Social Responsibility Expenses		177 779	160 272
IPO Expenses		129 246	0
Total (B)		2384 361	3725 119

Registration No. 112

Date of Registration with IRDAI : 2nd April, 2001**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018**

Particulars	Schedule	Current Year (₹'000)	Previous Year (₹'000)
Profit Before Tax		36682 556	36238 554
Provision for Taxation :			
Current Tax		6852 000	6620 000
MAT Credit		(2494 776)	(1442 537)
Deferred Tax		(9 758)	(109 973)
Provision for Tax in respect of earlier years		0	(224 937)
MAT Credit of earlier year		(755)	119 319
Profit After Tax		32335 845	31276 682
Appropriations			
(a) Balance brought forward from last year		31277 556	874
(b) Final dividend		10020 000	0
(c) Dividend distribution tax		2039 872	0
(d) Transfer to General Reserve		19216 800	0
Balance carried forward to Balance Sheet		32336 730	31277 556
Basic and Diluted EPS		37.27	36.37

As per our report of even date

For GBCA & ASSOCIATESChartered Accountants
{Firm Regn No. 103142W}**SANJEEV LALAN**

Partner

Membership No.: 045329

Mumbai

Dated: 25.05.2018

For SAMRIA & COChartered Accountants
{Firm Regn No. 109043W}**ADHAR SAMRIA**

Partner

Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital

Director

G Srinivasan

Director

V Ramasamy

Director

G B Pande

Director

V C Jain

GM Finance & CFO

Usha Sangwan

Director

Atanu Kumar Das

Director

A P Singh

Director

Y Ramulu

Director & GM

Suchita Gupta

Company Secretary

Registration No. 112
Date of Registration with IRDAI : 2nd April, 2001
BALANCE SHEET AS AT 31st MARCH 2018

Particulars	Schedule		Current Year (₹'000)	Previous Year (₹'000)
SOURCES OF FUNDS				
Share Capital	5		4386 000	4300 000
Reserves and Surplus	6		220359 393	180157 699
Borrowings	7		0	0
Deferred Tax Liability			0	0
Fair Value Change Account				
Shareholders Fund			86379 186	100355 698
Policyholders Fund			211963 492	200007 439
Total			523088 071	484820 836
APPLICATION OF FUNDS				
Investments- Shareholders	8		212461 676	218201 355
Investments- Policyholders	8a		506754 010	429247 856
Loans	9		2820 852	3221 250
Fixed Assets	10		1711 824	1636 162
Deferred Tax Asset			144 024	134 296
Current Assets:				
Cash and Bank Balances	11	141716 159		121907 652
Advances and Other Assets	12	236661 264		175137 651
Sub-Total (A)		378377 423		297045 303
Current Liabilities	13	449901 603		332578 242
Provisions	14	129280 135		132087 144
Sub-Total (B)		579181 738		464665 386
Net Current Assets (C)=(A-B)			(200804 315)	(167620 083)
Miscellaneous Expenditure	15		0	0
Total			523088 071	484820 836
CONTINGENT LIABILITIES			36775 137	33174 268

Significant Accounting Policies & Notes to Accounts form integral part of the Balance Sheet-Schedule 16

As per our report of even date
For GBCA & ASSOCIATES

Chartered Accountants
{Firm Regn No. 103142W}

SANJEEV LALAN
Partner
Membership No.: 045329

Mumbai
Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA
Partner
Membership No.: 049174

Alice G Vaidyan
Chairman-cum-Managing Director

Ravi Mital
Director
G Srinivasan
Director
V Ramasamy
Director
G B Pande
Director
V C Jain
GM Finance & CFO

Usha Sangwan
Director
Atanu Kumar Das
Director
A P Singh
Director
Y Ramulu
Director & GM
Suchita Gupta
Company Secretary

Schedules Forming Part of Financial Statements

For the Year Ended 31st March 2018



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	99981 821	81264 913
Less: Premium on Reinsurance ceded	21622 172	21043 078
Net Premium	78359 649	60221 835
Adjustment for change in reserve for unexpired risks	(5125 200)	(4052 098)
Total Premium Earned (Net)	73234 449	56169 737
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	80455 474	66243 947
Less: Premium on Reinsurance ceded	0	0
Net Premium	80455 474	66243 947
Adjustment for change in reserve for unexpired risks	5932 743	(10323 349)
Total Premium Earned (Net)	86388 217	55920 598
(2) AVIATION		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	7496 011	6623 864
Less: Premium on Reinsurance ceded	1159 665	859 352
Net Premium	6336 346	5764 512
Adjustment for change in reserve for unexpired risks	(312 991)	(1001 288)
Total Premium Earned (Net)	6023 355	4763 224
(3) ENGINEERING		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	9903 978	8781 597
Less: Premium on Reinsurance ceded	235 668	281 906

SCHEDULE 1
PREMIUM EARNED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Net Premium	9668 310	8499 691
Adjustment for change in reserve for unexpired risks	(716 448)	(325 536)
Total Premium Earned (Net)	8951 862	8174 155
(4) WORKMENS' COMPENSATION		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	369 271	353 727
Less: Premium on Reinsurance ceded	0	0
Net Premium	369 271	353 727
Adjustment for change in reserve for unexpired risks	(8 721)	(49 651)
Total Premium Earned (Net)	360 550	304 076
(5) LIABILITY		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	4072 439	2334 041
Less: Premium on Reinsurance ceded	1216 597	196 649
Net Premium	2855 842	2137 392
Adjustment for change in reserve for unexpired risks	(362 644)	(357 208)
Total Premium Earned (Net)	2493 198	1780 184
(6) PERSONAL ACCIDENT		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	6147 859	5103 570
Less: Premium on Reinsurance ceded	0	0
Net Premium	6147 859	5103 570
Adjustment for change in reserve for unexpired risks	128 325	(633 980)
Total Premium Earned (Net)	6276 184	4469 590
(7) HEALTH		
Premium from Direct Business written	0	0

SCHEDULE 1
PREMIUM EARNED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Add: Premium on Reinsurance accepted	52946 032	41728 826
Less: Premium on Reinsurance ceded	1152 763	1112 266
Net Premium	51793 269	40616 560
Adjustment for change in reserve for unexpired risks	6591 304	(7567 452)
Total Premium Earned (Net)	58384 573	33049 108
(8) AGRI		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	131393 537	97523 269
Less: Premium on Reinsurance ceded	12280 865	6788 707
Net Premium	119112 672	90734 562
Adjustment for change in reserve for unexpired risks	(856 867)	(7863 800)
Total Premium Earned (Net)	118255 805	82870 762
(9) OTHER MISCELLANEOUS		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	5159 242	9087 607
Less: Premium on Reinsurance ceded	285 543	851 811
Net Premium	4873 699	8235 796
Adjustment for change in reserve for unexpired risks	1614 741	(2975 229)
Total Premium Earned (Net)	6488 440	5260 567
(10) FINANCIAL LIABILITY/CREDIT		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	2409 340	2010 095
Less: Premium on Reinsurance ceded	593 482	446 000
Net Premium	1815 858	1564 095
Adjustment for change in reserve for unexpired risks	(127 319)	(122 938)
Total Premium Earned (Net)	1688 539	1441 157

SCHEDULE 1
PREMIUM EARNED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
TOTAL MISCELLANEOUS		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	300353 185	239790 543
Less: Premium on Reinsurance ceded	16924 584	10536 691
Net Premium	283428 601	229253 852
Adjustment for change in reserve for unexpired risks	11882 122	(31220 431)
Total Premium Earned (Net)	295310 723	198033 421
C MARINE INSURANCE		
(1) MARINE CARGO		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	4463 055	4446 037
Less: Premium on Reinsurance ceded	845 365	491 229
Net Premium	3617 690	3954 808
Adjustment for change in reserve for unexpired risks	130 346	1054 710
Total Premium Earned (Net)	3748 036	5009 518
(2) MARINE HULL		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	8818 562	6727 166
Less: Premium on Reinsurance ceded	1657 327	1790 291
Net Premium	7161 235	4936 875
Adjustment for change in reserve for unexpired risks	(2283 263)	649 695
Total Premium Earned (Net)	4877 972	5586 570
TOTAL MARINE		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	13281 617	11173 203
Less: Premium on Reinsurance ceded	2502 692	2281 520

SCHEDULE 1
PREMIUM EARNED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Net Premium	10778 925	8891 683
Adjustment for change in reserve for unexpired risks	(2152 917)	1704 405
Total Premium Earned (Net)	8626 008	10596 088
D LIFE INSURANCE		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	4377 063	3625 714
Less: Premium on Reinsurance ceded	599 658	247 518
Net Premium	3777 405	3378 196
Adjustment for change in reserve for unexpired risks	11 960	(1028 460)
Total Premium Earned (Net)	3789 365	2349 736
E TOTAL ALL CLASSES		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	417993 686	335854 373
Less: Premium on Reinsurance ceded	41649 106	34108 807
Net Premium	376344 580	301745 566
Adjustment for change in reserve for unexpired risks	4615 965	(34596 584)
Total Premium Earned (Net)	380960 545	267148 982

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
A FIRE INSURANCE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	51766 987	37979 025
Less: Reinsurance ceded	4591 552	7862 358
Net Claims Paid	47175 435	30116 667
Add: Claims Outstanding at the end of the year	103462 459	86734 697
Less: Claims Outstanding at the beginning of the year	86734 697	73001 061
Total Claims Incurred	63903 197	43850 303
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	46868 017	36184 241
Less: Reinsurance ceded	0	0
Net Claims Paid	46868 017	36184 241
Add: Claims Outstanding at the end of the year	95213 892	78863 595
Less: Claims Outstanding at the beginning of the year	78863 595	61161 102
Total Claims Incurred	63218 314	53886 734
(2) AVIATION		
Claims Paid		
Direct	11 281	(10)
Add: Reinsurance accepted	5372 159	5856 166
Less: Reinsurance ceded	591 459	1159 130
Net Claims Paid	4791 981	4697 026

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Add: Claims Outstanding at the end of the year	9960 585	8197 969
Less: Claims Outstanding at the beginning of the year	8197 969	8550 135
Total Claims Incurred	6554 597	4344 860
(3) ENGINEERING		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	4138 530	4320 751
Less: Reinsurance ceded	175 875	495 356
Net Claims Paid	3962 655	3825 395
Add: Claims Outstanding at the end of the year	16934 540	16367 961
Less: Claims Outstanding at the beginning of the year	16367 961	16497 841
Total Claims Incurred	4529 234	3695 515
(4) WORKMENS' COMPENSATION		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	80 832	119 396
Less: Reinsurance ceded	0	0
Net Claims Paid	80 832	119 396
Add: Claims Outstanding at the end of the year	548 011	358 439
Less: Claims Outstanding at the beginning of the year	358 439	210 187
Total Claims Incurred	270 404	267 648
(5) LIABILITY		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	366 920	757 580
Less: Reinsurance ceded	445	0

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Net Claims Paid	366 475	757 580
Add: Claims Outstanding at the end of the year	2592 049	1982 656
Less: Claims Outstanding at the beginning of the year	1982 656	1726 140
Total Claims Incurred	975 868	1014 096
(6) PERSONAL ACCIDENT		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	3132 476	1604 186
Less: Reinsurance ceded	0	0
Net Claims Paid	3132 476	1604 186
Add: Claims Outstanding at the end of the year	3780 066	2772 646
Less: Claims Outstanding at the beginning of the year	2772 646	2015 981
Total Claims Incurred	4139 896	2360 851
(7) HEALTH		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	37120 109	31490 150
Less: Reinsurance ceded	1361 973	821 479
Net Claims Paid	35758 136	30668 671
Add: Claims Outstanding at the end of the year	16622 962	11364 043
Less: Claims Outstanding at the beginning of the year	11364 043	12428 273
Total Claims Incurred	41017 055	29604 441
(8) AGRICULTURE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	62351 316	9355 538

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Less: Reinsurance ceded	2097 528	86 342
Net Claims Paid	60253 788	9269 196
Add: Claims Outstanding at the end of the year	125329 521	59122 246
Less: Claims Outstanding at the beginning of the year	59122 246	1594 774
Total Claims Incurred	126461 063	66796 668
(9) OTHER MISCELLANEOUS		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	3288 174	3021 220
Less: Reinsurance ceded	520 754	1643 906
Net Claims Paid	2767 420	1377 314
Add: Claims Outstanding at the end of the year	10968 057	6418 213
Less: Claims Outstanding at the beginning of the year	6418 213	8330 101
Total Claims Incurred	7317 264	(534 574)
(10) FINANCIAL LIABILITY/CREDIT		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	1553 944	3270 043
Less: Reinsurance ceded	114 992	0
Net Claims Paid	1438 952	3270 043
Add: Claims Outstanding at the end of the year	6696 150	3773 875
Less: Claims Outstanding at the beginning of the year	3773 875	6872 775
Total Claims Incurred	4361 227	171 143
TOTAL MISCELLANEOUS		
Claims Paid		
Direct	11,281	(10)

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Add: Reinsurance accepted	164272 477	95979 271
Less: Reinsurance ceded	4863 026	4206 213
Net Claims Paid	159420 732	91773 048
Add: Claims Outstanding at the end of the year	288645 833	189221 643
Less: Claims Outstanding at the beginning of the year	189221 643	119387 309
Total Claims Incurred	258844 922	161607 382
C MARINE INSURANCE		
(1) MARINE CARGO		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	1847 375	2149 371
Less: Reinsurance ceded	38 083	531
Net Claims Paid	1809 292	2148 840
Add: Claims Outstanding at the end of the year	5899 311	5997 053
Less: Claims Outstanding at the beginning of the year	5997 053	5899 043
Total Claims Incurred	1711 550	2246 850
(2) MARINE HULL		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	3519 617	3377 253
Less: Reinsurance ceded	1228 848	263 929
Net Claims Paid	2290 769	3113 324
Add: Claims Outstanding at the end of the year	10601 263	11939 858
Less: Claims Outstanding at the beginning of the year	11939 858	9740 973
Total Claims Incurred	952 174	5312 209

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
TOTAL MARINE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	5366 992	5526 624
Less: Reinsurance ceded	1266 931	264 460
Net Claims Paid	4100 061	5262 164
Add: Claims Outstanding at the end of the year	16500 574	17936 911
Less: Claims Outstanding at the beginning of the year	17936 911	15640 016
Total Claims Incurred	2663 724	7559 059
D LIFE INSURANCE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	3159 519	2968 498
Less: Reinsurance ceded	336 139	319 472
Net Claims Paid	2823 380	2649 026
Add: Claims Outstanding at the end of the year	3145 809	1845 533
Less: Claims Outstanding at the beginning of the year	1845 533	1047 227
Total Claims Incurred	4123 656	3447 332
E TOTAL ALL CLASSES		
Claims Paid		
Direct	11281	(10)
Add: Reinsurance accepted	224565 975	142453 418
Less: Reinsurance ceded	11057 648	12652 503
Net Claims Paid	213519 608	129800 905
Add: Claims Outstanding at the end of the year	411754 674	295738 784
Less: Claims Outstanding at the beginning of the year	295738 784	209075 613
Total Claims Incurred	329535 498	216464 076

**SCHEDULE 3
COMMISSION**

Particulars	Current Year (₹'000)	Previous Year (₹'000)
A FIRE INSURANCE		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	23062 180	16731 231
Less: Commission on Reinsurance Ceded	5432 322	191 109
Net Commission	17629 858	16540 122
Break-up of Commission		
Brokerage	3631 381	3214 675
Commision Paid	13998 477	13325 447
Total Commission	17629 858	16540 122
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	14549 957	11257 616
Less: Commission on Reinsurance Ceded	0	0
Net Commission	14549 957	11257 616
Break-up of Commission		
Brokerage	530 443	460 817
Commision Paid	14019 514	10796 799
Total Commission	14549 957	11257 616
(2) AVIATION		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	1280 876	979 939

SCHEDULE 3
COMMISSION

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Less: Commission on Reinsurance Ceded	135 890	43 357
Net Commission	1144 986	936 582
Break-up of Commission		
Brokerage	538 165	486 054
Commision Paid	606 821	450 528
Total Commission	1144 986	936 582
(3) ENGINEERING		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	2208 449	2021 888
Less: Commission on Reinsurance Ceded	2274 279	2 952
Net Commission	(65 830)	2018 936
Break-up of Commission		
Brokerage	182 849	116 864
Commision Paid	(248 679)	1902 072
Total Commission	(65 830)	2018 936
(4) WORKMENS' COMPENSATION		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	51 191	46 497
Less: Commission on Reinsurance Ceded	0	0
Net Commission	51 191	46 497
Break-up of Commission		
Brokerage	4 026	3 673
Commision Paid	47 165	42 824
Total Commission	51 191	46 497

**SCHEDULE 3
COMMISSION**

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(5) LIABILITY		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	518 574	295 647
Less: Commission on Reinsurance Ceded	172 873	13 353
Net Commission	345 701	282 294
Break-up of Commission		
Brokerage	43 256	32 939
Commision Paid	302 445	249 355
Total Commission	345 701	282 294
(6) PERSONAL ACCIDENT		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	1886 434	1564 403
Less: Commission on Reinsurance Ceded	63 754	0
Net Commission	1822 680	1564 403
Break-up of Commission		
Brokerage	73 918	81 662
Commision Paid	1748 762	1482 741
Total Commission	1822 680	1564 403
(7) HEALTH		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	10933 729	8155 196
Less: Commission on Reinsurance Ceded	40 347	38 929
Net Commission	10893 382	8116 267

SCHEDULE 3
COMMISSION

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Break-up of Commission		
Brokerage	75 523	168 640
Commission Paid	10817 859	7947 627
Total Commission	10893 382	8116 267
(8) AGRICULTURE		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	14613 960	9553 567
Less: Commission on Reinsurance Ceded	187 080	1 549
Net Commission	14426 880	9552 018
Break-up of Commission		
Brokerage	237 441	0
Commission Paid	14189 439	9552 018
Total Commission	14426 880	9552 018
(9) OTHER MISCELLANEOUS		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	1281 739	1778 412
Less: Commission on Reinsurance Ceded	970 776	4 518
Net Commission	310 963	1773 894
Break-up of Commission		
Brokerage	110 507	221 869
Commission Paid	200 456	1552 025
Total Commission	310 963	1773 894

**SCHEDULE 3
COMMISSION**

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(10) FINANCIAL LIABILITY/CREDIT		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	432 318	291 067
Less: Commission on Reinsurance Ceded	1 640	0
Net Commission	430 678	291 067
Break-up of Commission		
Brokerage	10 360	9 496
Commision Paid	420 318	281 571
Total Commission	430 678	291 067
TOTAL MISCELLANEOUS		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	47757 227	35944 232
Less: Commission on Reinsurance Ceded	3846 639	104 658
Net Commission	43910 588	35839 574
Break-up of Commission		
Brokerage	1806 488	1582 014
Commision Paid	42104 100	34257 560
Total Commission	43910 588	35839 574
C MARINE INSURANCE		
(1) MARINE CARGO		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	862 868	973 306

SCHEDULE 3 COMMISSION

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Less: Commission on Reinsurance Ceded	319 982	6 408
Net Commission	542 886	966 898
Break-up of Commission		
Brokerage	77 976	82 778
Commission Paid	464 910	884 120
Total Commission	542 886	966 898
(2) MARINE HULL		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	2062 970	686 020
Less: Commission on Reinsurance Ceded	473 371	49 708
Net Commission	1589 599	636 312
Break-up of Commission		
Brokerage	490 988	341 163
Commission Paid	1098 611	295 149
Total Commission	1589 599	636 312
TOTAL MARINE		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	2925 838	1659 326
Less: Commission on Reinsurance Ceded	793 353	56 116
Net Commission	2132 485	1603 210
Break-up of Commission		
Brokerage	568 964	423 941
Commission Paid	1563 521	1179 269
Total Commission	2132 485	1603 210

**SCHEDULE 3
COMMISSION**

Particulars	Current Year (₹'000)	Previous Year (₹'000)
D LIFE INSURANCE		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	28 593	61 100
Less: Commission on Reinsurance Ceded	0	0
Net Commission	28 593	61 100
Break-up of Commission		
Brokerage	8 406	14 625
Commission Paid	20 187	46 475
Total Commission	28 593	61 100
E TOTAL ALL CLASSES		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	73773 840	54395 889
Less: Commission on Reinsurance Ceded	10072 314	351 883
Net Commission	63701 526	54044 006
Break-up of Commission		
Brokerage	6015 239	5235 255
Commission Paid	57686 285	48808 751
Total Commission	63701 524	54044 006

SCHEDULE 4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 Employees' remuneration & welfare benefits	1025 734	964 370
2 Travel, conveyance and vehicle running expenses	79 269	81 346
3 Training expenses	12 955	22 328
4 Rents, rates and taxes	61 814	64 815
5 Repairs	179 726	208 021
6 Printing & stationery	3 575	4 080
7 Communication	16 294	15 745
8 Legal & professional charges	77 443	87 214
9 Auditors' fees, expenses etc.*		
(a) as auditor	7 139	7 129
(b) as advisor or in any other capacity, in respect of		
(i) Taxation matters	300	300
(ii) Others	14	0
10 Advertisement and publicity	84 980	61 442
11 Interest & Bank Charges	21 619	15 135
12 IT Expenses	119 545	98 690
13 Depreciation	74 035	96 805
14 Service Tax Expenses A/c	16 975	3 737
15 Swatchh Bharat Cess	691	349 399
16 Others	382 279	316 714
Total	2164 387	2397 270

*Auditors fees doesn't include ₹ 8,000/- thousand paid to auditors for IPO assignment.

**SCHEDULE 5
SHARE CAPITAL**

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 Authorised Capital 2,000,000,000 Equity Shares of ₹ 5/- Each	10000 000	10000 000
2 Issued & Subscribed Capital 877,200,000 (PY 860,000,000) Equity Shares of ₹ 5/- Each	4386 000	4300 000
3 Called-up Capital 877,200,000 (PY 860,000,000) Equity Shares of ₹ 5/- Each (Includes 812,000,000 shares of ₹ 5/- issued by capitalisation of Capital Redemption Reserve and General Reserve, 10,000,000 partly paid shares (₹ 2.50 per share paid) made fully paid-up shares by capitalisation of General Reserve)	4386 000	4300 000
Total	4386 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	752500 000	85.78%	860000 000	100%
Foreign	-	-	-	-
Others	124700 000	14.22%	-	-
Total	877200 000	100%	860000 000	100%

As per the resolution passed at the Extraordinary General Meeting held on 4th August, 2017 it was approved to consolidate 1,000,00,00,000 (One Thousand Crore) equity shares of ₹ 1/- (Rupee One) each into 200,00,00,000 (Two hundred Crore) equity shares of ₹ 5/- (Rupee Five) each. Accordingly, the number of equity shares and the face value thereof for all the reported periods has been recorded at ₹ 5/- per share for Authorized, Issued & Subscribed and Called-up Equity Share capital of the Corporation.

The Corporation has concluded its Initial Public Offer (IPO) of ₹ 1,125,683.11 Lakh in the month of October 2017 comprising a fresh issue of 17,200,000 equity shares aggregating to ₹ 155,266.64 Lakh and an offer for sale of 107,500,000 equity shares by the Promoter, Ministry of Finance, Govt. of India aggregating to ₹ 970,416.47 Lakh.

SCHEDULE 6
RESERVES AND SURPLUS

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 General Reserve		
Opening Balance	144023 000	144023 000
Add: Transfer from Profit & Loss A/c	19216 800	0
	163239 800	144023 000
2 Share Premium Account	15440 664	0
3 Catastrophe Reserve	0.00	0.00
4 Foreign Currency Translation Reserve	9342 199	4857 143
5 Balance of Profit in Profit & Loss Account	32336 730	31277 556
Total	220359 393	180157 699

SCHEDULE 7
BORROWINGS

N I L

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	48598 039	41648 993
2 Other Approved Securities	775 821	894 200
3 Other Investments		
(a) Shares		
(aa) Equity - Indian	107704 248	118232 649
Equity - Foreign	569 499	569 499
(bb) Preference	755	6 190
(b) Mutual Funds	0	0
(c) Derivative Instruments	0	0
(d) Debentures/Bonds Indian	7497 394	8950 098
Debentures/Bonds Foreign	0	0

SCHEDULE 8
INVESTMENTS - SHAREHOLDERS' FUND

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(e) Other Securities		
Guaranteed Equity	145	167
(f) Subsidiaries	4520 726	1407 143
(g) Associates - Indian	0	0
Associates - Foreign	159 479	159 479
4 Investments in Infrastructure and Social Sector		
(a) Equity	4329 660	5535 338
(b) Debentures/Bonds	21357 402	21792 462
5 Other than Approved Investments		
(a) Equity/Preference/Debentures/Venture Funds	1970 205	2012 211
(b) Preference	9 072	8 274
(c) Debentures/Bond	1450 687	2322 831
(d) Venture Funds	439 397	582 832
(e) Associate Indian	700 000	700 000
Short Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	1952 180	2368 531
2 Other Approved Securities	153 524	235 629
3 Other Investments		
(a) Shares		
(aa) Equity	0	0
(bb) Preference	5 356	7 041
(b) Mutual Funds	5086 190	6453 440
(c) Derivative Instruments	0	0
(d) Debentures/Bond Indian	1481 757	1167 032
Debentures/Bond Foreign	0	0
(e) Other Securities		
Commercial Paper	190 070	77 138
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Debentures/Bond	2730 679	2287 382
5 Other than Approved Investments		
(a) Preference Shares	3 815	1 500
(b) Debentures/Bond	775 576	781 295
(c) Mutual Funds	0	0
Total	212461 676	218201 354

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	119253 384	83011 267
2 Other Approved Securities	1903 766	1782 244
3 Other Investments		
(a) Shares		
(aa) Equity - Indian	264292 471	235651 364
Equity - Foreign	0	0
(bb) Preference	1 852	12 338
(b) Mutual Funds	0	0
(c) Derivative Instruments	0	0
(d) Debentures/Bonds Indian	18397 648	17838 583
Debentures/Bonds Foreign	0	0
(e) Other Securities		
Guaranteed Equity	355	333
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Equity	10624 434	11032 571
(b) Debentures/Bonds	52408 338	43434 900
5 Other than Approved Investments		
(a) Equity/Preference/Debentures/Venture Funds	4834 631	4010 569
(b) Preference	22 262	16 492
(c) Debentures/Bond	3559 801	4629 672
(d) Venture Funds	1078 224	1161 651
(e) Associate Indian	0	0

SCHEDULE 8 A
INVESTMENTS - POLICYHOLDERS' FUND

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Short Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	4790 402	4720 757
2 Other Approved Securities	376 728	469 636
3 Other Investments		
(a) Shares		
(aa) Equity	0	0
(bb) Preference	13 142	14 033
(b) Mutual Funds	12480 860	12862 453
(c) Derivative Instruments	0	0
(d) Debentures/Bond Indian	3636 041	2326 030
Debentures/Bond Foreign	0	0
(e) Other Securities		
Commercial Paper	466 408	153 745
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Debentures/Bond	6700 737	4559 018
5 Other Investments		
(a) Preference Shares	9 362	2 989
(b) Debentures/Bond	1903 164	1557 212
(c) Mutual Funds	0	0
Total	506754 010	429247 857

SCHEDULE 9**LOANS**

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 Security-wise Classification		
Secured		
(a) On mortgage of property		
(aa) In India	401 895	549 175
(bb) Outside India	0	0
(b) On Shares, Bonds, Government Securities	0	0
(c) Investments In State Govt. Loans for Housing and Fire fighting	2350 570	2603 688
Unsecured	68 387	68 387
Total	2820 852	3221 250
2 Borrower-Wise Classification		
(a) Central and State Governments	2350 570	2600 947
(b) Banks and Financial Institutions	0	0
(c) Subsidiaries	0	0
(d) Industrial Undertakings	447 343	596 017
(e) Others	22 939	24 286
Total	2820 852	3221 250
3 Performance-Wise Classification		
(a) Loans classified as standard		
(aa) In India	2183 940	2552 640
(bb) Outside India	0	0
(b) Non-performing loans less provisions		
(aa) In India	0	0
(bb) Outside India	0	0
Provisions*	636 912	668 610
Total	2820 852	3221 250
4 Maturity-Wise Classification		
(a) Short - Term	262 256	345 318
(b) Long - Term	2558 596	2875 932
Total	2820 852	3221 250

*Includes Provision for Bad and Doubtful Loans

**SCHEDULE 10
FIXED ASSETS**

(₹'000)

Particulars	Cost/Gross Block				Depreciation				Net Block	
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	Upto 31.03.2017	Twelve months ended 31.03.2018	On Sales/ Adjust ment	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Leasehold Land	247 253	-	-	247 253	92 719	3 434	-	96 153	151 100	154 534
Freehold Land	560 132	-	-	560 132	-	-	-	-	560 132	560 132
Buildings	1004 716	129 107	-	1133 823	263 222	15 002	-	278 224	855 599	741 494
Furniture & Fittings	32 946	1 875	-	34 821	19 937	2 437	130	22 244	12 577	13 008
I.T. Equipments	135 353	4 142	322	139 173	119 257	7 659	311	126 605	12 568	16 096
I.T. Software	355 756	-	-	355 756	241 648	37 211	-	278 859	76 897	114 108
Vehicles	51 311	13 642	2 481	62 472	19 518	6 568	568	25 518	36 954	31 794
Office Equipments	18 550	829	195	19 184	14 821	1 408	144	16 085	3 099	3 728
AC & Water Coolers	13 041	303	-	13 344	11 914	145	-	12 059	1 285	1 127
Elevators	2 073	-	-	2 073	2 073	-	-	2 073	-	-
Canteen Appliances	474	2	-	476	424	19	-	443	33	50
Electrical Installation	10 005	1 644	-	11 649	9 915	154	-	10 069	1 580	91
Fire Alarm Systems	3 408	-	-	3 408	3 408	-	-	3 408	-	-
Total	2435 018	151 544	2 998	2583 564	798 856	74 037	1 153	871 740	1711 824	1636 162
Previous years	2414 203	33 860	13 045	2435 018	711 537	96 806	9 487	798 856	1636 162	

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 *	2 737	75
2 Bank Balances		
(a) Deposit Accounts - Short term (due within 12 months)	102882 473	95270 533
(b) Current Accounts	8908 498	4992 418
3 Money at Call and Short Notice		
(a) With Bank	347 672	418 744
(b) With other Institutions	29574 779	21225 882
Total	141716 159	121907 652

*Includes Cheques on hand ₹ 2,504/- thousand (PY ₹ Nil)

Balances with non-scheduled banks

SCHEDULE 12
ADVANCES AND OTHER ASSETS

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Advances		
1 Reserve Deposits with Ceding Companies	52017 544	39630 860
2 Application Money for Investments	261 831	200 000
3 Prepayments	63 740	58 656
4 Advances to Directors/Officers	5 448	5 726
5 Advance Tax Paid and TDS	20463 668	17272 936
Less: Provision for Taxation	19820 965	16751 319
	642 703	521 617
6 Others	115 105	171 824
7 Deferred Commission	0	0
Total (A)	53106 371	40588 683
Other Assets		
1 Income accrued on investments	9423 910	8389 392
2 Due from other entities carrying on insurance business (including reinsurers)	144306 320	107638 017
3 Sundry Debtors	828 140	1336 813
4 Sundry Deposits	8727 632	411 911
5 MAT Credit Entitlement	18864 156	16368 625
6 Service Tax Unutilised Credit	0	404 210
7 GST Asset	1404 735	0
Total (B)	183554 893	134548 968
Total (A+B)	236661 264	175137 651

**SCHEDULE 13
CURRENT LIABILITIES**

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 Balances Due to other insurance companies	25379 398	14996 763
2 Deposits held on re-insurance ceded	9319 913	20789 348
3 Sundry Creditors	1060 817	879 962
4 Claims Outstanding	411754 676	295738 786
5 Service Tax Liability	278 679	173 383
6 GST Liability	2093 278	0
7 VAT Liability Dubai	14 842	0
Total	449901 603	332578 242

**SCHEDULE 14
PROVISIONS**

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 Reserve for Unexpired Risk	116463 949	121079 916
2 For Doubtful Loans, Investment and Debts	9198 421	7908 883
3 For Leave Encashment	356 839	332 085
4 Provision for Pension	99 384	44 926
5 Provision for Gratuity	10 181	48 438
6 Provision for Settlement	16 422	15 216
7 For PLLI Arrears	32 000	25 000
8 Provision for Taxation	16194 610	12355 436
Less: Advance Tax Paid and TDS	13091 671	9722 756
	3102 939	2632 680
Total	129280 135	132087 144

**SCHEDULE 15
MISCELLANEOUS EXPENDITURE**

N I L

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 of India (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 Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, revenue and expenses for the year ended and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.2 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 Insurance pool business, where GIC Re is one of the members of the Pool, only the Corporation's share of revenue is recorded in the books of accounts.

2.3 Outstanding Claims

2.3.1 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 claim figures in the books for submission of the data to the "Appointed Actuary" 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.

2.3.2 Provision for claims incurred but not reported (IBNR) is made as certified by the appointed actuary based on accepted actuarial methods.

2.4 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 and outstanding for more than four years.

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. 5.
- 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 RISKS (URR)

The URR provisions are made as under:

4.1 Non-Life Business:

- (i) For HO and Malaysia Branch:

Reserve for Unexpired Risk in respect of Marine Insurance (Hull) 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) London and Dubai Branch:

Reserve for Unexpired Risk is provided as per local practice. Adjustment for excess or short provision in URR, as per IRDAI requirement, is accounted at Head Office.

4.2 Life Business:

Reserve for Unexpired Risk is provided as determined by **Appointed Actuary** based on accepted Actuarial methods.

5. APPORTIONMENT OF INTEREST, DIVIDENDS AND RENTS

As per the requirement of IRDAI, 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 end of the year. The same is further apportioned amongst the revenue accounts on the basis of the respective Policyholder's fund at the end of the year. Shareholder's fund consists of share capital and free reserves. Policyholder's fund consists of provision for outstanding claims and reserves for unexpired risks. Till previous year the apportionment was done in the ratio of Shareholder's Fund and Policyholder's Fund respectively at the beginning of the year (Refer Note No. 44 of Notes Forming Part of the Accounts).

6. 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.

Tangible Fixed Assets are stated at cost (including incidental expenses relating to acquisition and installation) less accumulated depreciation.

Intangible Assets:

Intangible Fixed Assets representing software are recorded at its acquisition price and are amortized over their estimated useful life on a straight-line basis, commencing from the date the assets are available for use. The management has estimated the useful life for such software as three years. The useful life of the asset is reviewed by the management at each Balance Sheet date.

6.1 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.

7. 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.

8. 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 8 (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.5.

9. INVESTMENTS

9.1 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.

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

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

9.4 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.

9.5 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.

9.6 (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 30th October, 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.

(c) In case of Equity Exchange Traded Funds (ETF) the investment is valued on the same basis as traded equity shares, in compliance with Para 3.1 of the IRDAI (Investment) Regulations, 2016 of August 2016.

Whereas Passive ETFs shall be valued at NAV as on the reporting date (IRDAI, Investment Regulations, 2016, Version – 02, 3.1)

9.7 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 breakup value of the shares except in companies where demerger 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 irrespective of date of closure of annual accounts of the companies. The impact as on 31st March, 2018 due to change in Accounting Policy of Equity Valuation is ₹ NIL.

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).

9.8 Investments in Equity and Preference shares of companies whose latest available audited accounts are beyond 21 months irrespective of date of closure of annual accounts of the companies as on the date of balance sheet or whose net worth has been fully impaired (negative net worth) are valued as under, the impact as on 31st March, 2018 due to change in Accounting Policy of Equity Valuation is NIL.

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

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

b) Where shares are : Written down to
Actively Traded Market Value
and Book Value is
greater than
Market Value

c) Thinly traded : Written down to
Equity Shares 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.

9.9 Investments in Subsidiary and Associate Companies are valued at cost as these are strategic investments. Provision for diminution in the value of these investments is made only if the decline is other than temporary.

9.10 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.

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

9.12 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 end of the year. The same are further apportioned amongst the revenue accounts on the basis of the respective Policyholders' Fund at the end 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.

9.13 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.8.

9.14 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.

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

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

9.17 Investments are apportioned between Shareholders' Fund & Policyholders' Fund in the ratio of balance available in the respective funds at the end of the year.

10. AMORTIZATION OF PREMIUM AND PROVISION FOR DOUBTFUL LOANS, INVESTMENTS & 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 RESERVE (PDR)

Non-Life Business: Premium deficiency is worked out separately for each segmental revenue level basis viz. fire, marine and miscellaneous. As per IRDAI circular no. IRDAI/Reg/7/119/2016 dated 7th April, 2016, PDR is calculated by Non-Life Appointed Actuary.

Life Re business: As per IRDAI circular no. IRDAI/Reg/7/121/2016 dated 13th April, 2016, PDR is calculated by Life Re Appointed Actuary.

13. DEFERRED COMMISSION

London BO has accounted for deferred commission as per the local laws. The same is accounted as Commission at Head Office, in compliance to IRDAI requirements.

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 ₹ 526,398,152 thousand (Previous Year ₹ 496,352,888 thousand) no confirmations regarding actual custody or other documentary evidence for investments in debenture of the value of ₹ 682 thousand (Previous year ₹ 1,242 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 ₹ 785 thousand (Previous year ₹ 726 thousand) and book value of such excess is ₹ 130 thousand (Previous Year ₹ 130 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 ₹ 498,935 thousand (Previous Year ₹ 460,032 thousand).
- (b) During the year, the Corporation has not undertaken under CDR (Corporate Debt Restructuring) System, any case of restructuring of corporate debt/loan. (Previous Year ₹ NIL)
- (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
31 st March, 2018	17
31 st December, 2017	04
30 th September, 2017	0
31 st March, 2017	08

4. For valuation of actively traded equity shares, 31st March, 2018 has been considered as closing day.
5. During the year, the corporation has waived/written off debts, loans and interest as follows:

Waiver during the year:

(₹ in thousand)

Particulars	No. of cases	Write off	Waiver
Compound Interest	42	0	1,874
Interest on Delayed payment of Principal	1	0	5,013
Total	43	0	6,887

Debts written off during year:

(₹ in thousand)

No of Companies	Amount written down/written off
Nil	Nil

Diminution in the value of Investments written off during the year:

(₹ in thousand)

No of Companies	Amount written down/written off
17	203,200

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, 2018 all the assets of the Corporation in and outside India are free from encumbrances except for:
- (a) The Government of India Stock, 7.95% 2032 for ₹ 40,000 thousand and 8.20% 2022 for ₹ 30,000 thousand, 8.24% 2027 for ₹ 171,000 thousand, 8.28% 2027 for ₹ 17,500 thousand and 8.33% 2026 for ₹ 20,000 thousand, 8.60% 2028 for ₹ 80,000 thousand total amounting to ₹ 358,500 thousand (Previous year total amounting to ₹ 243,500 thousand) and cash deposit of ₹ 5,300 thousand (Previous year ₹ 5,400 thousand) with Clearing Corporation of India Limited as deposit towards Settlement Guarantee Fund.
- (b) In view of margin requirements as recommended by SEBI vide Circular dated 19/03/2008, Corporation has provided Fixed Deposits amounting to ₹ 200,000 thousand (Previous year ₹ 150,000 thousand) as margins in cash segments viz. FDR of ₹ 130,000 thousand (Previous year ₹ 100,000 thousand) as collateral is held with NSCCL and FDR of ₹ 70,000 thousand (Previous year ₹ 50,000 thousand) as collateral is held with BSE.
- (c) Margin FDR held by Bank for issue as LC/BG of ₹ 19,501,805 thousand (Previous year ₹ 15,853,931 thousand).
8. The Commitments made and outstanding for Loans, Investments and Fixed Assets (if any) as at 31st March, 2018 are ₹ 704,600 thousand (Previous year ₹ 498,142 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 Book Value of investments valued on Fair Value basis is ₹ 95,130,527 thousand (Previous year ₹ 75,923,101 thousand).
 11. The basis of amortization of debt securities is as stated in Significant Accounting Policy No. 9.14.
 12. The Corporation does not hold any properties for investment purposes.
 13. Provisions regarding unrealized gains/losses have been stated in the Significant Accounting Policy No. 9.7.

➤ Reinsurance

14. Underwriting of Direct business stopped from 1st April 2001. Figures included in Revenue Accounts Pertaining to direct business are on account of run-off business. Run-off liabilities are sufficiently provided for based on advices received.
15. The Corporation underwrites some special type of quota share treaties on which Unexpired Risk Reserve (URR) is not required as the maximum loss possible under such treaty is provided through Outstanding Loss Reserve (OSLR) as per the terms of the treaty. Till earlier period the Corporation has been providing URR on such treaties in addition to the OSLR amount. During the current period, the Corporation has not provided URR on such treaties and has also reversed the URR provided on such treaties in the earlier years. If the Corporation had followed the same basis of calculation of URR, Profit Before Tax for the year ended 31st March, 2018 would have been lower by 265,886 lakh.

16. Structured solution cover:

- (i) The Structured Solution Contract was in place for three years from 2014 to 2017. Following the Board decision to place the entire layers of all Classes of

Business' (COBs) which were under Structured Solutions in the traditional market, new underlying programmes for both Non-Marine Domestic and Non-Marine foreign were renewed as on 1st June, 2017 and the business was placed traditionally as under:

- (a) For Non-Marine Domestic business, for risk and cat perils, the protection was renewed, from ground up to ₹ 2,000 Crore with a deductible of ₹ 100 Crore for risk and ₹ 250 Crore for cat.
- (b) For Non-Marine Foreign Inward business, for Middle East Risks and World-wide cat perils, the arrangement was also renewed from ground up cover of USD 25 million with a deductible of USD 15 million.
- (ii) Coverage for the cessions on account of following sections which renewed prior to 1st June, 2017 will be ongoing after the non-renewal date:

Section 1: Risk section of the current period till 31st May, 2018 (for LOB viz. facultative risks)

Section 3 – Liability: The annual period expires on 31st January, 2018 but being a Risk Attaching Section exposure will continue.

Section 4 – Credit: till 31st March, 2018 but Risk attaching sections will continue

Section 5 – Marine & Energy: till 30th April, 2018

Section 7 – Aviation: till 31st March, 2018

GIC Re and the Reinsurers will maintain all contractual rights and obligations arising out of the contract, till the final closure at a mutually agreed date after both parties agree to the net balance quantum.

The Funds Withheld Experience Account (FWEA) has a positive balance of ₹ 4,878,137 thousand as on 31st March, 2018 which is subject to change due to movements in premium and claims recoveries between 1st April, 2018 to 31st May, 2018 (Previous year negative balance ₹ 1,793,197 thousand).

17. Premiums, less reinsurance, written from business during the financial year 2017-18 in India are:

₹ 265,072,549 thousand (Previous year ₹ 206,795,441 thousand) and outside India are ₹ 111,272,029 thousand (Previous year ₹ 94,950,125 thousand).

18. Claims less reinsurance during the financial year 2017-18 paid in India are:

₹ 141,286,566 thousand (Previous year ₹ 74,605,497 thousand) and outside India are ₹ 72,233,042 thousand (Previous year ₹ 55,195,405 thousand).

19. 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.

Line of Business wise Segment Revenue Reporting for the year ended 31st March, 2018.

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)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Fire	16331 501	11041 450	12374 715	13680 324	3030 052	3474 447	174 040	175 545	0	0	0	0	752 693	(6288 866)
Motor	69303 866	42203 603	47054 554	43948 595	9338 381	7470 910	274 679	336 588	0	0	0	0	12636 252	(9552 490)
Aviation	530 804	223 365	947 230	116 358	64 263	85 469	3 028	5 452	0	0	0	0	(483 716)	16 085
Engineering	4414 019	4045 904	1631 143	443 072	(1550 575)	676 621	22 215	29 477	0	0	0	0	4311 236	2896 733
W.C.	161 866	193 730	83 361	53 104	21 932	27 541	668	1 160	0	0	0	0	55 905	111 925
Liability	1628 446	1143 261	632 290	610 308	117 159	125 861	13 836	10 714	(369)	0	0	0	864 791	396 377
PA	5279 656	3685 702	3816 889	1772 039	1495 995	1232 420	23 493	26 479	0	0	0	0	(56 721)	654 764
Health	49420 619	23642 056	34084 971	21633 872	9298 731	6131 944	202 408	209 045	0	0	0	0	5834 510	(4332 805)
Agriculture	115853 569	82 842	124160 680	9 461	13394 832	9 539	581 611	637 931	0	0	0	0	(22283 553)	(574 088)
Other Misc.	4139 945	8553 076	3879 161	65336 128	(578 433)	10275 314	10 574	38 832	0	0	0	0	828 643	9881 802
FL/Credit	1466 184	1291 261	4055 776	(199 394)	339 781	240 997	9 674	12 042	0	0	0	0	(2939 048)	1237 615
Marine Cargo	2385 577	2754 189	938 189	1893 245	139 519	344 731	10 638	11 396	0	0	0	0	1297 230	504 817
Marine Hull	895 475	1571 798	(1909 471)	2124 217	(29 329)	91 991	7 785	9 245	0	0	0	0	2826 490	(653 656)
Life	3615 588	2468 299	4245 489	3246 093	13 440	32 138	19 148	23 854	0	0	0	0	(662 490)	(833 786)
TOTAL	275427 114	179879 535	235994 978	154667 422	35095 748	30219 924	1353 797	1527 763	(369)	0	0	0	2982 223	(6535 574)

FOREIGN BUSINESS

(₹ in 000)

Class of Business	Earned Premium		Incurred Claims		Net Commission		Expenses of Management		Profit/(Loss) on Exchange		Premium Deficiency		Underwriting Profit/(Loss)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Fire	56902 948	45128 287	51528 482	30169 979	14599 805	13065 676	386 130	450 319	(114 566)	(115 813)	0	0	(9726 035)	1326 500
Motor	17084 351	13716 995	16163 760	9938 139	5211 575	3786 706	143 429	130 526	(130 339)	(88 321)	0	0	(4564 752)	(226 697)
Aviation	5492 550	4539 860	5607 367	4228 502	1080 722	851 113	48 225	49 126	(14 040)	(9 572)	0	0	(1257 803)	(598 453)
Engineering	4537 843	4128 250	2898 091	3252 442	1484 745	1342 314	38 335	36 571	(26 194)	(8 683)	0	0	90 477	(511 760)
W.C.	198 683	110 346	187 043	214 544	29 259	18 956	1 211	1 288	(784)	(355)	0	0	(19 614)	(124 798)
Liability	864 753	636 923	343 577	403 788	228 541	156 433	5 360	5 240	(4 281)	(2 565)	0	0	282 993	68 898
PA	996 529	783 889	323 007	588 813	326 685	331 983	4 617	6 760	(6 623)	(4 138)	0	0	335 596	(147 805)
Health	8963 954	9407 052	6932 085	7970 569	1594 652	1984 323	108 402	119 164	(32 281)	(26 382)	0	0	296 535	(693 385)
Agriculture	2402 236	28 325	2300 383	14 470	1032 048	13 363	18 165	719	(148 579)	(8 016)	0	0	(1096 939)	(8 243)
Other Misc.	2348 495	2488 085	3438 103	902 035	889 396	1027 697	16 391	26 058	(14 300)	(9 950)	0	0	(2009 695)	522 345
FL/Credit	222 356	149 895	305 451	370 535	90 897	50 070	1 714	1 110	(8 135)	(7 945)	0	0	(183 841)	(279 766)
Marine Cargo	1362 459	2255 329	773 362	353 606	403 366	622 167	9 887	14 654	(8 261)	(9 397)	0	0	167 583	1255 505
Marine Hull	3982 497	4014 772	2861 644	3187 991	1618 929	544 320	27 912	28 088	(18 980)	(16 457)	0	0	(544 968)	237 915
Life	173 778	(118 563)	(121 833)	201 239	15 153	28 962	815	(117)	(4 348)	(718)	0	0	275 295	(349 365)
TOTAL	105533 431	87269 446	93540 521	61796 654	28605 775	23824 083	810 591	869 506	(531 711)	(308 312)	0	0	(17955 167)	470 891

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)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Fire	73234 449	56169 737	63903 197	43850 303	17629 858	16540 122	560 170	625 864	(114 566)	(115 813)	0	0	(8973 342)	(4962 365)
Motor	86388 217	55920 598	63218 313	53886 734	14549 957	11257 616	418 107	467 115	(130 339)	(88 321)	0	0	8071 500	(9779 187)
Aviation	6023 354	4763 224	6554 597	4344 860	1144 985	936 582	51 252	54 578	(14 040)	(9 572)	0	0	(1741 520)	(582 368)
Engineering	8951 862	8174 155	4529 234	3695 514	(65 830)	2018 936	60 550	66 049	(26 194)	(8 683)	0	0	4401 714	2384 973
W.C.	360 549	304 076	270 404	267 649	51 191	46 497	1 879	2 448	(784)	(355)	0	0	36 291	(12 873)
Liability	2493 199	1780 184	975 868	1014 096	345 700	282 294	19 196	15 954	(4 650)	(2 565)	0	0	1147 784	465 275
PA	6276 185	4469 590	4139 896	2360 852	1822 680	1564 404	28 110	33 239	(6 623)	(4 138)	0	0	278 875	506 958
Health	58384 573	33049 109	41017 055	29604 441	10893 382	8116 267	310 810	328 209	(32 281)	(26 382)	0	0	6131 045	(5026 191)
Agriculture	118255 805	111 168	126461 063	23 931	14426 880	22 901	599 775	638 650	(148 579)	(8 016)	0	0	(23380 492)	(582 331)
Other Misc.	6488 440	88020 161	7317 264	66238 163	310 963	11303 011	26 965	64 890	(14 300)	(9 950)	0	0	(1181 052)	10404 147
FL/Credit	1688 539	1441 156	4361 227	171 141	430 678	291 067	11 388	13 153	(8 135)	(7 945)	0	0	(3122 889)	957 849
Marine Cargo	3748 035	5009 517	1711 551	2246 850	542 886	966 898	20 525	26 050	(8 261)	(9 397)	0	0	1464 813	1760 322
Marine Hull	4877 972	5586 570	952 174	5312 209	1589 600	636 312	35 696	37 334	(18 980)	(16 457)	0	0	2281 522	(415 741)
Life	3789 365	2349 736	4123 656	3447 332	28 593	61 100	19 963	23 738	(4 348)	(718)	0	0	(387 194)	(1183 151)
Total	380960 545	267148 981	329535 499	216464 075	63701 523	54044 007	2164 389	2397 269	(532 079)	(308 312)	0	0	(14972 944)	(6064 683)

20. 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 31.03.2018

(₹ in 000)

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	41	4,43,226	8	8,536	4	631	14	81,978	3	20,576	7	3,588	77	5,58,536
2	>30 days upto six(6) months	205	26,65,016	21	6,75,099	40	1,58,988	93	9,39,780	3	32,588	1	177	363	44,71,649
3	>6 months upto 1 year	269	31,01,881	20	29,430	53	1,23,840	112	3,97,414	4	11,868	19	37,475	477	37,01,908
4	1 year upto 5 years	992	43,71,951	264	10,98,318	305	20,61,499	963	25,25,481	29	1,90,999	109	78,009	2662	1,03,26,258
5	>5 years	362	17,32,883	149	2,60,327	272	1,65,970	1151	22,09,734	8	4,90,176	13	41,626	1955	49,00,716
	TOTAL	1869	1,23,14,957	462	20,71,711	674	25,10,928	2333	61,54,388	47	7,46,208	149	1,60,875	5534	2,39,59,066

Details as on 31.03.2017

(₹ in 000)

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	48	110,678	6	1,275	0	0	43	120,909	3	30,245	4	55,651	104	318,757
2	>30 days upto six(6) months	305	947,421	41	42,528	40	76,750	174	418,387	0	-	36	10,576	596	1,495,662
3	>6 months upto 1 year	360	1,354,088	77	659,734	76	148,875	159	560,720	10	57,191	19	7,574	701	2,788,182
4	1 year upto 5 years	1260	4,151,721	327	1,476,463	493	2,225,087	1019	3,057,105	57	117,893	46	47,824	3202	11,076,094
5	>5 years	481	1,387,044	178	347,096	352	212,355	1302	2,901,357	13	492,654	23	70,123	2349	5,410,629
	TOTAL	2454	7,950,952	629	2,527,096	961	2,663,067	2697	7,058,479	83	697,983	128	191,748	6952	21,089,324

21. Claims settled and remaining unpaid for a period of more than six months as on 31st March, 2018 ₹ NIL (Previous Year ₹ NIL).
22. 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 ₹ 5,545,853 thousand (P.Y. ₹ 4,658,317 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 (See note I. 2.4 Provision for Doubtful Debts under Significant Accounting Policy)

23. The Corporation has not provided for catastrophic reserves as IRDAI has not issued any guidelines in this respect.
24. The details of URR adjustment in respect of Dubai and London BO are as under:

Year	Dubai BO	London BO
2017-18	₹ 135,766 thousand (excess provision by BO, reduced at HO)	₹ 1,178,526 thousand (excess provision by BO, reduced at HO)
2016-17	₹ 563,850 thousand (excess provision by BO, reduced at HO)	₹ 99,799 thousand (excess provision by BO, reduced at HO)

25. Life Reinsurance Business:

During the year, the Corporation has made a provision of ₹ 909,853 thousand (Previous Year made provision of ₹ 921,146 thousand) towards unexpired risk reserve for life business as determined by Life Appointed Actuary, as per IRDA guidelines. (Excluding Re-takaful business).

26. (i) The estimate of claims Incurred but Not Reported [IBNR] claims has been certified by the Company's Appointed Actuary. The Appointed Actuary has certified to the Company that the assumptions used for such are appropriate and are in accordance with the requirements of the Insurance Regulatory and Development Authority of India [IRDAI] and Institute of Actuaries of India in concurrence with IRDAI.

(ii) The IBNR provision for Life Re business is certified by the Appointed Actuary - Life Re. It is done using a delay days method. Based on the experience, the adjusted delay

days for claims settlement is estimated. For claims reported in less than equal to 1 year the adjusted delay days is applied on the higher of claims paid, incurred or earned premium. For other prior periods it is applied on the claims paid (or reported) to give IBNR for respective delay periods

27. (a) The details on account of revaluation included in the net Outstanding Loss Reserves (OSLR) at the end of the year are as under:

(₹ in thousand)

Class of Business	Amount
Fire	848,309
Life	3,286
Marine	144,772
Miscellaneous	353,116
Total	1,349,483

(b) Reference/Benchmark Exchange Rates:

(Amount in ₹)

	Average INR Rate {April'17 to March'18}	Average INR Rate {April'16 to March'17}	Closing INR Rate {31.03.2018}	Closing INR Rate {31.03.2017}
AED	17.54730	18.25300	17.72859	17.65683
GBP	85.49414	87.74551	91.25167	81.35433
MYR	15.48393	15.98200	16.85914	14.65868
USD	64.44402	67.03613	65.11000	64.85000
EURO	75.39230	73.57042	80.22203	69.07174

➤ **Human Resources**

28. Provision for Productivity Linked Lump-sum Incentive to the employees for the year ended 31st March, 2018 is ₹ 32,000 thousand (Previous Year 25,000 thousand).

29. 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, 2018	Year ending 31 st March, 2017
Pension Superannuation Scheme(Employees' Pension Fund)	116,053	64,774
Leave Encashment (Earned leave and Sick Leave)	24,811	86,846
Gratuity(Employees Gratuity Fund)	10,181	48,438
Provident Fund(Employees Provident Fund)	0	0
Settlement Benefit	1,206	1,192

A) Change in the Present Value of Obligation

(₹ in thousand)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Present Value of Obligation as 1 April	1,623,232	1,414,829	429,740	371,197	332,028	245,183	15,216	14,024
Interest Cost	115,859	107,781	30,959	28,287	25,433	17,898	1,111	1,024
Past Service Cost	0	0	0	0	0	0	0	0
Current Service Cost	46,021	49,766	23,060	22,698	17,514	17,061	714	705
Curtailment Cost/(Credit)	0	0	0	0	0	0	0	0
Settlement Cost/(Credit)	0	0	0	0	0	0	0	0
Benefit Paid	(72,253)	(73,139)	(10,746)	(20,293)	0	0	0	0
Actuarial (Gain)/Loss on Obligation	117,366	123,995	43,166	27,851	(18,137)	51,886	(618)	(537)
Present Value of Obligation at 31 st March	1,830,225	1,623,232	516,180	429,740	356,839	332,028	16,422	15,216

*EL + SL

B) Change in the Fair value of Plan Assets

(₹ in thousand)

Particulars	Pension		Gratuity		Leave Salary		Settlement	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Fair Value of Plan Assets as at 1 April	1,578,306	1,320,858	381,302	337,724	0	0	0	0
Expected return on Plan Assets	141,207	121,164	32,008	27,676	0	0	0	0
Actuarial Gain/(Loss) on Obligation	21,987	95,603	54,996	2,721	0	0	0	0
Contribution	61,595	113,821	48,438	33,473	0	0	0	0
Benefit Paid	(72,253)	(73,140)	(10,746)	(20,292)	0	0	0	0
Fair Value of Plan Assets at 31 st March	1,730,841	1,578,306	505,998	381,302	0	0	0	0
Unpaid Amount	0	0	0	0	0	0	0	0
Fair Value of Plan (Net) Assets at 31 st March	17,30,841	1,578,306	505,998	381,302	0	0	0	0
Actual return	163,193	216,767	87,004	30,398	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	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Present Value of Obligation	1,830,225	1,623,232	516,180	429,740	356,839	332,028	16,422	15,216
Fair Value of Plan Assets	1,730,841	1,578,306	505,998	381,302	0	0	0	0
Unfunded Net Asset/ (Liability) Recognized in Balance Sheet	(99,384)	(44,926)	(10,181)	(48,438)	356,839	(332,028)	(16,422)	(15,216)

*EL + SL

D) Expenses recognized in the Profit and Loss Account

(₹ in thousand)

For year ending 31 st March, 2018	Pension	Gratuity	Leave Salary *	Settlement
Current Service Cost	46,021	23,060	17,514	714
Interest Cost	115,859	30,959	25,433	1,111
Curtailment Cost/(Credit)	0	0	0	0
Settlement Cost/(Credit)	0	0	0	0
Expected Return on Plan Assets	(141,207)	(32,008)	0	0
Net actuarial (gains)/losses recognized in the period	95,380	(11,830)	(18,137)	(618)
Total Expenses recognized in the Profit & Loss A/c	116,053	10,181	24,811	1,206

*EL + SL

(₹ in thousand)

For year ending 31 st March, 2017	Pension	Gratuity	Leave Salary *	Settlement
Current Service Cost	49,766	22,698	17,061	705
Interest Cost	107,780	28,287	17,898	1,024
Curtailment Cost/(Credit)	0	0	0	0
Settlement Cost/(Credit)	0	0	0	0
Expected Return on Plan Assets	(121,164)	(27,677)	0	0
Net actuarial (gains)/losses recognized in the period	28,390	25,130	51,886	(537)
Total Expenses recognized in the Profit & Loss A/c	64,774	48,438	86,846	1,192

*EL + SL

E) Plan Assets

(In %)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Government Securities {Central & State}	55.00	55.00	0.00	0.00	0.00	0.00	0.00	0.00
High quality Corporate Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	45.00	45.00	100.00	100.00	0.00	0.00	0.00	0.00

*EL + SL

F) Actuarial Assumption

(In %)

Particulars	Pension		Gratuity		Leave Salary *		Settlement	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Discount Rate	7.66	7.30	7.66	7.30	7.66	7.30	7.66	7.30
Expected return on assets	9.00	9.00	8.00	8.00	0.00	0.00	0.00	0.00
Salary Escalation	8.00	8.00	10.00	10.00	10.00	10.00	10.00	10.00
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	2006-08	2006-08	1994-96	1994-96

*EL + SL

G) Other Disclosures

Pension

(₹ in thousand)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Experience Adjustment						
On obligation	117,366	123,995	103,224	16,205	183,129	42,677
On plan assets	(21,986)	(95,603)	4,448	(60,980)	9,392	4,330
Present Value of obligation	1,830,225	1,623,232	1,414,830	1,303,844	1,159,320	905,058
Fair Value of plan assets	1,730,841	1,578,306	1,320,857	1,272,735	923,723	845,167
Excess of obligation over plan assets	(99,384)	(44,926)	(93,972)	(31,109)	(235,597)	(59,891)

Gratuity

(₹ in thousand)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Experience Adjustment						
On obligation	43,166	27,851	43,921	93,092	(18,360)	(9,536)
On plan assets	(54,996)	(2,721)	(35,455)	18,615	629	7,322
Present Value of obligation	516,180	429,740	371,197	301,229	183,862	183,101
Fair Value of plan assets	505,998	381,302	337,724	225,554	195,961	187,826
Excess of obligation over plan assets	(10,181)	(48,438)	(33,473)	(75,675)	12,099	4,725

Leave Salary

(₹ in thousand)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Experience Adjustment						
On obligation	(18,137)	51,886	(37,199)	(43,100)	1,320	(1,268)
On plan assets	0	0	0	0	0	0
Present Value of obligation	356,839	332,028	245,182	227,340	221,463	165,615
Fair Value of plan assets	0	0	0	0	0	0
Excess of obligation over plan assets	356,839	(332,028)	(245,182)	(227,340)	(221,463)	(165,615)

Settlement

(₹ in thousand)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Experience Adjustment						
On obligation	(618)	(537)	178	0	119	156
On plan assets	0	0	0	0	0	0
Present Value of obligation	16,422	15,216	14,024	12,195	10,648	8,800
Fair Value of plan assets	0	0	0	0	0	0
Excess of obligation over plan assets	(16,422)	15,216	14,024	12,195	10,648	8,800

Actuarial gain/loss has been charged to Profit and Loss Account.

➤ **Secretarial**

- 30.** As per the resolution passed at the Extraordinary General Meeting held on 4th August, 2017 at GIC Re, Head Office, Mumbai, Share capital of the Corporation was altered by consolidating 1000,00,00,000 (One Thousand Crore) equity shares of ₹ 1/- (Rupee One) each into 200,00,00,000 (Two Hundred Crore) equity shares of ₹ 5/- (Rupee Five) each.

Consequent to the Initial Public Offer (IPO) of the Corporation, comprising of Fresh Issue of 172,00,000 Equity shares and Offer for Sale of 10,75,00,000 Equity Shares of ₹ 5/- (Rupee Five) each, the Issued, Subscribed and Called-up Capital of the Corporation as on 31st March, 2018, has been changed to

₹ 438,60,00,000/-comprising of 87,72,00,000 Equity shares of ₹ 5/- each.

Accordingly, the number of equity shares and the face value thereof has been recorded at Rupee Five per share for Authorized, Issued & Subscribed and Called-up Equity Share capital of the Corporation as on 31st March, 2018 (refer schedule 5 and 5A).

- 31.** The face value of equity share was consolidated from ₹ 1 to ₹ 5 per share, as approved by shareholders in the Extraordinary General Meeting (EGM) held on 4th August, 2017. EPS, Diluted EPS, Dividend Per Share and Number of shares outstanding is calculated in the accompanying financial statements based on face value of ₹ 5 per equity share for all the reported periods

32. Investment in Subsidiary & Associate Companies (As on 31st March, 2018)

(₹ 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	421,856,675	2 Zar	100%	4,520,723
2.	GIC Re India Corporate Member Ltd.	GBP	1	1 GBP	100%	2
	Total Subsidiary Investment					4,520,725
	Associate Company					
1.	Agriculture Ins. Co. of India Ltd	INR	70,000,000	10 INR	35%	700,000
2.	GIC Bhutan Re Ltd	Nu	13,000,000	10 Nu	26%	130,000
3.	India International Ins. Pte Ltd.	SGD	10,000,000	1 SGD	20%	29,479
	Total Associate Investments					859,479

Investment in Subsidiary & Associate Companies (As on 31st March, 2017)

(₹ 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	126,950,000	2 Zar	100%	1,407,141
2.	GIC Re India Corporate Member Ltd.*	GBP	1	1 GBP	100%	2
	Total Subsidiary Investments					1,407,143

Sl. No.	Name of the company	Currency	No. of Shares	Face value	% Holding	Acquisition Cost
	Associate Company					
1.	Agriculture Ins. Co. of India Ltd	INR	70,000,000	10 INR	35%	700,000
2.	GIC Bhutan Re Ltd	Nu	13,000,000	10 Nu	26%	130,000
3.	India International Ins. Pte Ltd.	SGD	10,000,000	1 SGD	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

Nature and volume of transactions: With (a & b) above

(ii) Statement showing Related party disclosures as per AS-18 of ICAI

a. Subsidiaries

(₹ in thousand)

Period	GIC Re South Africa Ltd. Johannesburg, S.A.		GIC Re India Corporate Member, Ltd., London, U.K	
	2017-18	2016-17	2017-18	2016-17
Premium Accepted	3,448,447	1,741,113	3,143,576	1,398,602
Premium Ceded	-	-	-	-
Net Premium	3,448,447	1,741,113	3,143,576	1,398,602
Commission Paid	1,058,990	515,973	1,235,857	552,870
Commission Recovered	-	-	-	-
Net Commission	1,058,990	515,973	1,235,857	552,870
Claims Paid	1,782,190	727,186	2,822,221	957,925
Claims Recovered	-	-	-	-
Net Claims	1,782,190	727,186	2,822,221	957,925
Balance as on 31 st March (-) indicates amount payable by GIC	-	-	-	-

b. Associates

(₹ in thousand)

Period	Agriculture Ins. Co. Ltd		India International Pte Ltd.		GIC-BHUTAN RE	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Premium Accepted	32,662,335	41,454,812	8,316	17,860	44,008	16,641
Premium Ceded	121,671	8,619	-	3,969	-	-
Net Premium	32,540,664	41,446,193	8,316	13,891	44,008	16,641
Commission Paid	3,524,997	4,330,536	931	235	-	34
Commission Recovered	27,200	1,549	-	-	-	-
Net Commission	3,497,798	4,328,987	931	235	-	34
Claims Paid	23,322,642	4,193,007	107,465	1,22,411	-	-
Claims Recovered	54,845	-	-	-	-	-
Net Claims	23,267,797	4,193,007	107,465	1,22,411	-	-
Balance as on 31st March (-) indicates amount payable by GIC	-	-	-	-	-	-

34. i) Key Management Personnel:

- Chief Executive Officer : Mrs. Alice G. Vaidyan
- Chief Marketing Officer : Mr. Pauly Sukumar N.
- Chief Investment Officer : Mr. Satyajit Tripathy (upto 22.01.2018)
Chief Investment Officer : Mr. Uttam Kumar Sharma (w.e.f. 22.01.2018)
- Financial Advisor &
Chief of Internal Audit : Mr. G.C. Gaylong (upto 24.05.2017)
: Mr. D.R. Waghela (w.e.f. 24.05.2017)
- Chief Financial Officer : Mr. V.C. Jain
- Chief Risk Officer : Ms. Madhulika Bhaskar
- Chief Compliance Officer : Ms. Suchita Gupta
- Appointed Actuary
(General Insurance) : Ms. Priscilla Sinha
- Appointed Actuary
(Life Insurance) : Ms. Padmaja R. (upto 30.06.2017)

ii. Details of Key Managerial Personnel Remuneration for the year ended 31.03.2018 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	Ms. Alice Vaidyan	Chief Executive Officer	3,407	256	377	0	32	0	0
2	Pauly Sukumar N	Chief Marketing Officer	2,087	135	209	0	32	0	48
3	Satyajit Tripathy (upto 22.01.2018) 285 days	Chief Investment Officer	1,465	98	143	34	17	0	38
4	Uttam Kr Sharma (wef 22.01.2018) 69 days	Chief Investment Officer	352	24	35	0	4	0	0
5	G.C. Gaylong	Financial Advisor & Chief of Internal Audit (upto 24.05.2017) 54 days	306	22	30	0	3	0	200
6	D.R. Waghela	Financial Advisor & Chief of Internal Audit (wef 24.05.2017) 232 days	1399	90	140	0	21	0	30
7	V.C. Jain	Chief Financial Officer	2,127	138	214	0	32	0	48
8	Ms Madhulika Bhaskar	Chief Risk Officer	2,065	128	0	0	22	0	50
9	Ms Suchita Gupta	Chief Compliance Officer	2,022	130	203	0	22	0	49
10	Ms Priscilla Sinha	Appointed Actuary (General Insurance)*	7,595	0	0	0	11	0	0
11	Ms Padmaja R.	Appointed Actuary (Life Insurance) upto 30.06.2017*	911	0	0	0	0	0	0

*Professional fees

Details of Key Managerial Personnel Remuneration for the year ended 31.03.2017 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	Mrs. Alice G. Vaidyan	Chairman cum Managing Director	2,759	248	0	0	22	0	49
2	Mr. Pauly Sukumar N	Chief Marketing Officer	2,186	131	202	0	22	0	63
3	Mr. Satyajit Tripathy	Chief Investment Officer	1,971	122	178	53	22	0	78
4	Mr. G C Gaylong	Chief of Internal Audit	2,413	146	215	0	22	0	66
5	Mr. V C Jain	Chief Financial Officer	2,129	132	193	0	22	0	78
6	Ms. Madhulika Bhaskar	Chief Risk Officer	1,851	125	0	0	22	0	81
7	Ms. Suchita Gupta	Chief Compliance Officer	2,058	127	186	0	22	0	78
8	Ms. Priscilla Sinha	Appointed Actuary (General Insurance)*	4,078	0	0	0	0	0	0
9	Ms. Padmaja R.	Appointed Actuary (Life Insurance)*	3,403	0	0	0	0	0	0

*Professional fees

35. 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.

36. During the year, the Corporation has concluded its Initial Public Offer (IPO) of ₹ 1,125,683 Lakh in the month of October 2017 comprising a fresh issue of 1,72,00,000 equity shares aggregating to ₹ 155,267 lakh and an offer

for sale of 10,75,00,000 equity shares by the Promoter, Ministry of Finance, Government of India aggregating to ₹ 970,416 lakh. Pursuant to the Offer of 12,47,00,000 equity shares, the Qualified Institutional Buyers and Non-Institutional Investors were allotted shares at an issue/ Offer price of ₹ 912/- per equity share while the Retail Individual Investors and Employees were allotted shares at a discount of ₹ 45/- on the Issue/Offer Price i.e. at ₹ 867 per equity share.

37. Provision for Initial Public offer(IPO) expenses has been made on estimated basis subject to the finalisation of total IPO expenditure and includes only the share of the Corporation. The total IPO expenses accounted for ₹ 504,030 thousands of which share of Govt. Of India works out to ₹ 374,784 thousands and share of the Corporation is ₹ 129,246 thousands.

38. Proposed Dividend for the year 2017-18

On 30th March 2016, the Ministry of Corporate Affairs has notified the Companies (Accounting Standards) Amendment Rules, 2016, which became applicable w.e.f 30th March, 2016 for Companies not yet following Ind AS.

As per the amendment to AS 4 (Contingencies and Event Occurring after Balance Sheet Date), if an entity declares dividend to shareholders after the balance sheet date,

the entity should not recognize those dividends as a liability on the balance sheet date (because no obligation exists at that time. Such dividends are required to be disclosed in the Notes to Financial Statements.

In view of the amendment to AS 4 as per the Companies (Accounting Standards) Amendment Rules, 2016, the Corporation has not made any provision for Dividend in the Annual Accounts for the year 2017-18. The proposed dividend for the year 2017-18 is ₹ 11,842,200 thousand and the corresponding Dividend Distribution Tax is ₹ 2,434,199 thousand, which will be settled after approval at the AGM in the year 2018-19. (Previous year dividend paid ₹ 10,002,000 thousand, dividend distribution tax ₹ 2,039,872 thousand).

39. Details of the penalty payable by the Corporation during the year 2017-18 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

SI No.	Authority	Non-Compliance/ Violation	Amount in ₹ in thousand		
			Penalty Awarded	Penalty Paid	Penalty Waived/Reduced
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**

40. Earnings per Share (EPS) as per Accounting Standards 20 issued by ICAI:

	2017-18	2016-17
Profit after Tax	₹ 32,335,891 thousand	₹ 31,276,682 thousand
Number of equity shares (weighted avg.)	867,539,726	860,000,000
Nominal value of share	₹ 5/-	₹ 5/-
Basic and Diluted EPS	₹ 37.27/-	₹ 36.37/-

Basic earnings per share are calculated by dividing the profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the profit or loss after tax for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the

beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented.

41. 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 31.03.2018		As on 31.03.2017	
	Deferred Tax		Deferred Tax	
	Asset	Liability	Asset	Liability
Timing difference on account of difference in book depreciation & depreciation under Income Tax Act, 1961.	3,995	-	5,759	-

Particulars	As on 31.03.2018		As on 31.03.2017	
	Deferred Tax		Deferred Tax	
	Asset	Liability	Asset	Liability
Provision for employee's benefits	140,253	-	128,846	-
Others	-	-	-	-
Foreign Branches	-	223	-	309
TOTAL	144,248	223	134,605	309
Net Deferred Tax	144,024	-	134,296	-

42. The basis of apportionment of operating expenses to the Revenue Accounts has been stated in the Significant Accounting Policy No. 8.

43. (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.

(a) 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.

44. The financial statements for the year have been prepared on the basis of same accounting policies as adopted in the previous year corresponding year except for the basis of bifurcation of policyholders' fund and shareholders' fund. Till previous year, the bifurcation was made in the ratio of Shareholder's Fund and Policyholder's Fund respectively at the beginning of the year. The bifurcation is now in the ratio of Shareholder's Fund and Policyholder's Fund respectively at the end of each quarter. The said change is necessitated in view of the clarifications received from the Regulator in November 2017 about computation of policyholder's fund. The impact due to the change is provided in table below:

SN	Details	Shareholder's Fund	Policyholder's fund	Net Impact
1	Ratio as per earlier policy	30 %	70 %	
2	Ratio as per revised policy	28.95 %	71.05 %	
3	Impact in Investment -Schedule 8 & 8A due to change in policy	(40 035.34)	40 035.34	NIL
4	Impact in Investment Income due to change in policy	(6 170.57)	6 170.57	NIL
5	Forex Gain/Loss	91.01	(91.01)	NIL

45. Since the value of Other Liabilities net off Other Assets is negative, the value of other liabilities has been taken as zero, while calculating the policyholders' fund.

46. GIC is in process of erecting Fire escape staircase at its office premises, for which a premium of ₹ 16,771,300/- has been paid to the MCGM towards open space deficiency and staircase premium. As the whole process is in progress and has not been completed the said amount paid has been accounted under Sundry Advance.

47. Contingent Liabilities:

(a) Paid up investments ₹ NIL (Previous year ₹ NIL)

(b) Underwriting commitments outstanding ₹ NIL (Previous year ₹ NIL)

(c) Claims, other than Partly 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 ₹ 19,501,805 thousand (Previous year ₹ 15,864,369 thousand)

(e) Statutory demand/liabilities in dispute - Income-tax demands disputed, not provided for ₹ 17,262,332 thousand (Previous year ₹ 17,298,899 thousand).

Year-wise break up as follows:

(₹ in thousand)

Sl No.	Assessment Year	Amount
1	2002-03	694,362
2	2003-04	757,312
3	2004-05	1,879,038
4	2005-06	1,849,956
5	2006-07	2,680,573
6	2007-08	3,126,779
7	2008-09	3,149,757
8	2009-10	1,809,812
9	2012-13	1,079,551
10	2013-14	163,957
11	2014-15	71,235
	Total	17,262,332

- (f) Reinsurance obligations to the extent not provided for in the accounts ₹ NIL (Previous year ₹ NIL) in view of Significant Accounting Policy No. 2.2.
- (g) Majority of the pending legal/arbitration matters with the Legal Department 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. In MACT/Hit and Run matters, GIC is wrongly impleaded despite not being the administrator of the Solatium Scheme.

Consequently, no financial impact of such cases is envisaged.

48. Performance of Overseas Branches:

(₹ in thousand)

	Dubai	Malaysia	London
Gross Premium	21,026,745	10,282,438	7,712,594
Net Premium	20,441,023	9,970,362	6,700,513
Earned Premium	21,652,614	8,279,487	5,848,245
Incurred Claims	16,947,010	6,353,720	4,612,042
Net Commission	4,975,625	3,126,897	1,723,771
Expenses of Management	272,305	44,020	132,613
Profit/(Loss) on Exchange	90,858	(1,467,199)	(570,397)
Underwriting Profit/(Loss)	(451,468)	(2,712,350)	(1,190,580)
Net Inv. Income in Rev. A/c	326,831	218,754	99,796
Revenue Profit/(Loss)	(124,637)	(2,493,797)	(1,090,784)

➤ GENERAL

49. 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.

50. During the year under review, irregularities in acceptance of reinsurance contracts and short collection of premium by an employee of the Corporation had been detected.

In a case where the competent authority had declined the acceptance of a Facultative risk (since it was not within the risk appetite), the employee had conveyed acceptance of the same through the Broker. Under this contract, a loss amounting to EUR 5.4 million (INR 433,200 thousand) has been reported. This was a major loss for leading insurers/reinsurers in the world. Even GIC has suffered this loss through other authorized acceptances.

There is a possibility of recovery under the Corporation's Reinsurance Protection Programme.

There were also certain cases of short remittances of premium amounting to USD 636,376 (₹ 41,400 thousand), out of which USD 477,376 (₹ 31,100 thousand) has been recovered from/agreed to be paid by the Broker concerned. For the balance amounting to USD 159,000 (₹ 10,300 thousand) recovery is being pursued.

After the incidence, the process and procedure have been reviewed and controls/Maker-Checker system have been strengthened in the department. Further, the

Enterprise Risk Management department has formulated detailed Standard Operating Procedure (SOP) for various underwriting departments, Business Accounts Section and Claims Vertical for strengthening the systems and control ensuring all important functions follow the four-eye policy of Maker-Checker.

51. Major Events occurring after Balance Sheet Date:

Following is the detail of one major loss reported by ICICI Lombard GIC and Reliance Gen. Ins, which occurred during the month of April 2018:

(₹ in thousand)

Name of Insured	Cause of loss	DOL	100% loss	GIC's share of Gross Loss	GIC's share of Net loss
Privi Organics	Fire	26.04.2018	2,500,000	1,555,200	1,000,000
M/s. Garden Reach Shipbuilders and Engineers Ltd.	Damage due to storm	17.04.2018	1,250,000	594,800	594,800

52. The Corporation has prepared Cash flow statement adopting the indirect method.

53. Tax liabilities in respect of foreign operation, if any, is accounted on actual basis.

54. Prior period items have not been separately disclosed, as the amount is not material.

55. The summary of the financial statements of the Corporation for the last five years is as per Annexure I.

56. The Accounting Ratios of the Corporation are stated in Annexure II.

57. 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}

SANJEEV LALAN

Partner
Membership No.: 045329

Mumbai
Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital

Director

G Srinivasan

Director

V Ramasamy

Director

G B Pande

Director

V C Jain

GM Finance & CFO

Usha Sangwan

Director

Atanu Kumar Das

Director

A P Singh

Director

Y Ramulu

Director & GM

Suchita Gupta

Company Secretary

SUMMARY OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Annexure - I

(₹ in Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
OPERATING RESULTS					
1 Gross Premium	4179937	3358544	1843581	1518397	1468012
2 Net Premium Income	3763446	3017456	1637478	1385701	1321262
3 Income from investments (net)	383087	305265	280272	302482	256880
4 Profit on Exchange Fluctuation	(5333)	(3083)	15657	(5843)	23855
5 Total Income	4141200	3319638	1933407	1682340	1601997
6 Commissions (Net) (Including Brokerage)	637015	540440	349036	278425	244899
7 Operating Expenses	21644	23973	18070	15944	17829
8 Net Incurred Claims	3295355	2164641	1289986	1189177	1210729
9 Change in Unexpired Risk Reserve	(46160)	345966	120195	29876	(39620)
9a Premium Deficiency	0	0	(5846)	5846	0
10 Operating Profit/loss	233346	244618	161966	163072	168160
NON-OPERATING RESULT					
11 Total Income under Shareholders account (Net)	133480	117768	133685	119651	62184
12 Profit/(loss) before tax	366826	362386	295651	282723	230344
13 Provision for tax	43467	49619	10812	13351	5026
14 Profit/(loss) after tax	323359	312767	284839	269372	225318
MISCELLANEOUS					
15 <u>Policy holders Account:</u>					
Total funds	5282186	4168187	2955589	2701832	2702451
Total Investments	5067540	4292479	3660366	3948334	3356775
Yield on Investments (%)	12	12	13	14	12
16 <u>Shareholders Account:</u>					
Total funds	2152592	1794663	1482996	1300161	1096858
Total Investments	2124617	2182014	1783231	1624172	1208808
Yield on Investments (%)	12	12	13	14	12

(₹ Lakh)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
17 Paid up equity Capital	43860	43000	43000	43000	43000
18 Net worth	2152592	1794663	1482996	1300161	1096858
19 Total assets	11022698	9494862	7973258	7809332	6699186
20 Yield on total investments (%)	12	12	13	14	12
21 Earnings per share ₹ (Un Annualised) *	37	36	33	31	26
22 Book Value per share ₹*	245	209	172	151	128
23 Total Dividend	100200	0	86000	54000	44935
24 Dividend per share ₹*	12	0	10	6	5

*The face value of equity share is consolidated from ₹ 1 to ₹ 5 per share. Accordingly the earning per share, book value per share & dividend per share is based on the face value of ₹ 5 per share.

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
{Firm Regn No. 103142W}

SANJEEV LALAN

Partner
Membership No.: 045329
Mumbai
Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital

Director

G Srinivasan

Director

V Ramasamy

Director

G B Pande

Director

V C Jain

GM Finance & CFO

Usha Sangwan

Director

Atanu Kumar Das

Director

A P Singh

Director

Y Ramulu

Director & GM

Suchita Gupta

Company Secretary

RATIOS FOR NON - LIFE COMPANIES

Annexure - II

Performance Ratio	Ratio/Percentage			
	Current Period Ending		Previous Period Ending	
	31.03.2018		31.03.2017	
	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	42.30	13.50	26.70	24.90
Motor Insurance	17.10	36.70	55.80	24.80
Aviation Insurance	(20.30)	18.00	875.60	30.20
Engineering insurance	8.20	17.60	(6.60)	4.80
W.C.	(17.30)	26.10	(15.70)	308.30
Liability	85.40	48.90	74.90	22.50
PA	27.40	(5.90)	21.40	123.90
Health	39.00	(12.60)	93.90	14.30
Agriculture	30.90	4459.00	652.60	200.20
Other Miscellaneous Insurance	(60.90)	(10.00)	243.60	79.10
FL/Credit	15.30	68.80	12.20	33.80
Marine Cargo	34.00	(36.30)	27.40	36.50
Marine Hull	20.90	35.10	(3.80)	0.90
Life	15.20	(1102.00)	97.40	(103.90)
2 Gross Premium to Net worth ratio : (Gross premium for the current year divided by paid up capital and free reserves)	194.20		187.10	
3 Growth rate of Net Worth (Net worth as at the current balancesheet date divided by Net worth as at the previous balance sheet date)	19.90		21.00	
4 Net retention ratio (segment wise) (Net premium divided by gross premium)				
Fire Insurance	59.40	90.10	38.30	91.70
Motor Insurance	100.00	100.00	100.00	100.00

RATIOS FOR NON - LIFE COMPANIES

Annexure - II

Performance Ratio	Ratio/Percentage			
	Current Period Ending		Previous Period Ending	
	31.03.2018		31.03.2017	
	Domestic	Foreign	Domestic	Foreign
	Total		Total	
Aviation Insurance	69.20	86.00	72.30	89.10
Engineering insurance	95.10	100.00	95.50	98.20
W.C.	100.00	100.00	100.00	100.00
Liability	59.90	100.00	88.00	100.00
PA	100.00	100.00	100.00	100.00
Health	97.40	100.00	96.50	100.00
Agriculture	90.50	96.90	93.00	100.00
Other Miscellaneous Insurance	88.00	99.70	1617.30	96.40
FL/Credit	72.60	96.10	75.80	100.00
Marine Cargo	85.00	71.90	91.60	86.00
Marine Hull	70.90	84.80	47.60	83.40
Life	85.70	100.00	93.20	100.00
5 Net commission ratio (segment wise) (Commission paid net of reinsurance commission divided by net written premium for that segment)				
Fire Insurance	13.40	26.20	33.80	26.20
Motor Insurance	15.50	25.70	14.50	25.50
Aviation Insurance	14.00	18.40	14.20	16.50
Engineering insurance	(33.50)	29.50	15.70	31.90
W.C.	15.00	13.10	15.50	10.70
Liability	6.40	22.00	8.70	22.40
PA	29.00	32.80	30.50	31.30
Health	21.50	18.60	33.40	10.60
Agriculture	11.60	27.50	10.50	15.70
Other Miscellaneous Insurance	(28.40)	31.40	6.40	65.20
FL/Credit	22.10	32.80	17.30	29.30

RATIOS FOR NON - LIFE COMPANIES

Annexure - II

Performance Ratio	Ratio/Percentage			
	Current Period Ending		Previous Period Ending	
	31.03.2018		31.03.2017	
	Domestic	Foreign	Domestic	Foreign
	Total		Total	
Marine Cargo	5.30	41.40	16.20	34.00
Marine Hull	(1.80)	29.20	10.30	13.50
Life	0.40	8.50	0.90	(162.40)
6 Expenses of management to gross premium ratio (Expenses of management divided by Gross premium)	0.50		0.70	
7 Expenses of management to Net written premium ratio (Expenses of management divided by Net written premium)	0.60		0.80	
8 Net Incurred Claims to Net Earned Premium	86.50		81.00	
9 Combined ratio : (Net Incurred Claims divided by Net Earned Premium plus expenses of management (including net commission) divided by Net written premium)	104.00		99.70	
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)	140.40		138.10	
11 Underwriting balance ratio:	(4.00)		(2.00)	
12 Operating profit ratio: (Underwriting profit/loss plus investment income divided by net premium)	6.20		8.10	
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))	35.00		38.90	

RATIOS FOR NON - LIFE COMPANIES

Annexure - II

Performance Ratio	Ratio/Percentage			
	Current Period Ending		Previous Period Ending	
	31.03.2018		31.03.2017	
	Domestic	Foreign	Domestic	Foreign
	Total		Total	
14 Net earnings ratio: (Profit after tax divided by net premium)	8.60		10.40	
15 Return on net worth (Annualised) (Profit after tax divided by net worth)	15.00		17.40	
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.	1.72		2.40	
17 NPA ratio(Net)	0.56		0.78	

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
{Firm Regn No. 103142W}

SANJEEV LALAN

Partner
Membership No.: 045329
Mumbai
Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital

Director

G Srinivasan

Director

V Ramasamy

Director

G B Pande

Director

V C Jain

GM Finance & CFO

Usha Sangwan

Director

Atanu Kumar Das

Director

A P Singh

Director

Y Ramulu

Director & GM

Suchita Gupta

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018 AS PER INDIRECT METHOD

(₹ in thousand)

Particulars	31.03.2018	31.03.2017
A) CASH FLOW FROM OPERATING ACTIVITIES		
<i>Net Profit before taxation as per Profit & Loss A/c</i>	36682 560	36238 557
<i>Adjustments for:</i>		
Exchange -Loss/Gain charged	763 575	464 766
Provision for diminution in value of investment	203 200	556 439
Provision for doubtful loans, investments & Debts	1289 539	2595 645
Amortisation of Premium on Investment	260 835	185 152
Depreciation	74 035	96 805
-Profit/Loss on sale of Assets	27	2 216
Provision for Leave Encashment & Salary Arrears	49 161	79014
Sundry Balances Written off/-back	0 2640 372	0 3980 037
<i>Operating Profit before working capital changes</i>	39322 932	40218 594
Changes in Unexpired Risk Reserves	(4615 967)	34596 585
Changes in Premium Deficiency Reserve	0	0
Changes in Provisions for Outstanding Claims	116015 890	86663 173
Changes in Income accrued on Investments	(1034 517)	(122 115)
Changes in Balances with Insurance Companies	(50141 789)	(81342 470)
Changes in Advance and Deposits	(11313 021)	56,069,390
Changes in other Current Liabilities	2394 271 51304 867	(55114 175) 40750 388
<i>Cash generated from operations</i>	90627 799	80968 982
Income Tax Paid (Net)	(4007 266)	(3151 207)
<i>Net Cash from Operating Activities</i>	86620 533	77817 775
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(151 543)	(33 859)
Proceeds from sale of Fixed Assets	1 818	1 342
Foreign Currency Translation Reserve	44 85 053	(5137 193)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018
AS PER INDIRECT METHOD**

(₹ in thousand)

Particulars	31.03.2018	31.03.2017
Changes in net Investments	(58323 907)	(37538 864)
Net Cash used in Investing Activities	(53988 579)	(42708 574)
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid	(10020 000)	(8600 000)
Dividend Tax Paid	(2039 872)	(1750 788)
Net Cash from Financing Activities	(12059 872)	(10350 788)
D) Effect of Foreign Exchange on Cash & Cash equivalents(Net)	(763 575)	(464 766)
Net increase in Cash and Cash equivalents (A+B+C+D)	19808 507	24293 647
Cash and Cash equivalents at beginning of period	121907 652	97614 005
Cash and Cash equivalents at the end of period	141716 159	121907 652

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
{Firm Regn No. 103142W}

SANJEEV LALAN

Partner
Membership No.: 045329

Mumbai

Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital

Director

G Srinivasan

Director

V Ramasamy

Director

G B Pande

Director

V C Jain

GM Finance & CFO

Usha Sangwan

Director

Atanu Kumar Das

Director

A P Singh

Director

Y Ramulu

Director & GM

Suchita Gupta

Company Secretary

2017 - 18

I. Registration Details

Registration No.	16133	State Code	11
Balance Sheet Date	3/31/2018		

II. Capital Raised During the year (Amount in ₹ thousand)

Public Issue	15526 663.48	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ thousand)

Total Liabilities	523088 071	Total Assets	523088 071
Sources of Funds			
Paid-up Capital	4386 000	Reserve & Surplus	220359 393
Secured Loans	NIL	Unsecured Loans	NIL
Deferred Taxation Liability	0	Fair Value Change Account	298342 678

Application of Funds

Net Fixed Assets	1711 824	Investment	722036 538
Net Current Assets	-200804 315	Misc. Expenditure	NIL
Accumulated Losses	NIL	Deffered Tax Asset	144 024

IV. Performance of Company (Amount in ₹ thousand)

Turnover	434498 646	Total Expenditure	397816 090
Profit/Loss Before Tax	36682 556	Profit/Loss After Tax	32335 845
Earning per Share in (₹)	37.27	Dividend @ %	270.00

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 31.03.2018		As on 31.03.2017	
	₹	\$	₹	\$
Gross Premium	417 993 686	6 419 808	335 854 373	5 178 942
Net Premium	376 344 580	5 780 135	301 745 566	4 652 977
Net Earned Premium	380 960 545	5 851 030	267 148 981	4 119 491
Net Claims	329 535 499	5 061 212	216 464 075	3 337 919
% to Earned Premium	86.5%	86.5%	81.0%	81.0%
Net Commission	63 701 523	978 368	54 044 007	833 369
% to Earned Premium	16.7%	16.7%	20.2%	20.2%
Operating Expenses and Other Outgo less Other Income	2 697 701	41 433	2 705 582	41 721
Premium Deficiency	0	0	0	0
Investment Income Less Expenses apportioned to Revenue a/c	38 308 738	588 369	30 526 517	470 725
Revenue Profit/Loss(-)	23 334 560	358 387	24 461 834	377 206
Investment Income Less Expenses apportioned to P/L a/c	15 611 545	239 772	15 316 980	236 191
Other Income less Other Outgo	(522 518)	(8 025)	(203 025)	(3 131)
Res. for Doubtful Debts, Investment W/off & Amortisation of Prem. on Inv.	1 741 030	26 740	3 337 235	51 461
PROFIT BEFORE TAX	36 682 557	563 394	36 238 554	558 806
Provision for tax including deferred tax	4 346 711	66 759	4 961 873	76 513
PROFIT AFTER TAX	32 335 846	496 634	31 276 682	482 293
ASSETS:				
Investments	719 215 686	11 046 163	647 449 211	9 983 797
Loans	2 820 852	43 324	3 221 250	49 672
Fixed Assets	1 711 823	26 291	1 636 161	25 230
Deferred Tax Asset	144 024	2 212	134 296	2 071
Cash and Bank Balances	141 716 159	2 176 565	121 907 652	1 879 840
Advances and Other Assets	236 661 264	3 634 791	175 137 651	2 700 658
TOTAL ASSETS	1 102 269 809	16 929 347	949 486 221	14 641 268
LIABILITIES:				
Share Capital	4 386 000	67 363	4 300 000	66 307
Reserve and Surplus	220 359 393	3 384 417	180 157 699	2 778 068
Deferred Tax Liabilities	0	0	0	0
Fair Value Change Account	298 342 678	4 582 133	300 363 137	4 631 660
Current Liabilities & Provisions	579 181 738	8 895 434	464 665 385	7 165 233
TOTAL LIABILITIES	1 102 269 809	16 929 347	949 486 221	14 641 268

1 US\$ = ₹ 65.11 as on 31.03.2018

1 US\$ = ₹ 64.85 as on 31.03.2017

(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

USD Exchange Rate

65.11

64.85



CONSOLIDATED FINANCIAL STATEMENTS (CFS) YEAR 2017-18

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 31st March, 2018, the Consolidated Revenue Accounts, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year 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 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 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 also 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 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 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 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, 2018 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. 11 to the financial statement in respect of irregularities detected in acceptance of reinsurance contracts and short collection of premium by an employee. Total loss incurred by the Corporation on account of such unauthorised transaction is ₹ 443,500 thousand till the date of the Balance Sheet. Our opinion is not qualified in respect of this matter.
- b. Attention is drawn to Significant Accounting Policy No.1.7, the Impact on profit for the year or Assets and Liabilities due to deviation in Accounting Policies of the Corporation and its Subsidiaries cannot be evaluated for the reason stated therein. As the impact thereof is not material our opinion is not modified in respect of this matter.

6. Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets (net) ₹ 18,971,219 thousand as at 31st March, 2018, total revenues of ₹ 963,714 thousand and net cash flows amounting to ₹ 448,599 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/(loss) of ₹ (490,852) thousand for the year ended 31st March, 2018, 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 are considered for the purpose of consolidation 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-section (3) and (11) of section 143 of the Act, in so far as it relates the aforesaid subsidiaries and associates, is based solely on the reports of the 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, 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 and 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 12) which is prepared under Indirect Method, whereas IRDAI regulations require Cash Flow Statement to be prepared under direct method.
- 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 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, 2018 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, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. 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.

- h. In our opinion and to the best of our information, and according to the explanation 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
Firm Regn. No. 103142W

Sanjeev Lalan
Partner
Membership No. 045329

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

Adhar Samria
Partner
Membership No. 049174

Place : Mumbai
Date : 25th May, 2018

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 31st March, 2018 in conjunction with our audit of the consolidated 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.

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

Sanjeev Lalan
Partner
Membership No. 045329

Place : Mumbai
Date : 25th May, 2018

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 31st March, 2018, 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.

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 Samria & Co.,
Chartered Accountants
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 31st MARCH 2018.

The preparation of consolidated financial statements of General Insurance Corporation of India for the year ended 31st March, 2018 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 (the 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 25th May, 2018.

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 31st March, 2018. We conducted a supplementary audit of the financial statements of General Insurance Corporation of India but did not conduct supplementary audit of the financial statements of Agriculture Insurance Company of India Limited, GIC Re South Africa Limited, GIC Re India Corporate Member Limited, Indian International Insurance Pte. Limited and GIC Bhutan Re Limited 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 Limited, GIC Re India Corporate Member Limited, Indian International Insurance Pte. Limited and GIC Bhutan Re Limited 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 inquires of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

(Roop Rashi)

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

Place : Mumbai
Dated : 26th July, 2018

Financial Information



Registration No. 112

Date of Registration with IRDAI : 2nd April, 2001

CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018
IN RESPECT OF FIRE INSURANCE BUSINESS

Particulars	Schedule	Current Year (₹'000)	Previous Year (₹'000)
1. Premiums Earned (Net)	1	73747 287	56635 928
2. Profit on sale of Investments (Net)		3717 390	3883 973
3. Forex Gain/(Loss)		(163 069)	(140 154)
4. Interest, Dividend & Rent - Gross		6319 229	6431 184
Total (A)		83620 837	66810 931
1. Claims Incurred (Net)	2	64422 437	42505 597
2. Commission (Net)	3	17652 560	16708 297
3. Operating Expenses related to Insurance Business	4	835 544	710 173
4. Expenses relating to Investments		10 767	10 106
5. Premium Deficiency		0	0
Total (B)		82921 308	59934 173
Operating Profit/(Loss) from Fire Business C = (A-B)		699 529	6876 758
APPROPRIATIONS			
Transfer to Shareholders' Account		699 529	6876 758
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		699 529	6876 758

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}

SANJEEV LALAN

Partner
Membership No.: 045329

Mumbai

Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital
Director

G Srinivasan
Director

V Ramasamy
Director

G B Pande
Director

V C Jain
GM Finance & CFO

Usha Sangwan
Director

Atanu Kumar Das
Director

A P Singh
Director

Y Ramulu
Director & GM

Suchita Gupta
Company Secretary

Registration No. 112

Date of Registration with IRDAI : 2nd April, 2001

CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018
IN RESPECT OF MISCELLANEOUS INSURANCE BUSINESS

Particulars	Schedule	Current Year (₹'000)	Previous Year (₹'000)
1. Premiums Earned (Net)	1	295753 311	198118 924
2. Profit on sale of Investments (Net)		10612 426	6655 641
3. Forex Gain/(Loss)		(461 670)	(186 102)
4. Interest, Dividend & Rent - Gross		17972 881	11012 297
Total (A)		323876 948	215600 760
1. Claims Incurred (Net)	2	259344 538	161679 858
2. Commission (Net)	3	43977 478	35828 252
3. Operating Expenses related to Insurance Business	4	1354 287	1715 680
4. Expenses relating to Investments		24 755	15 976
5. Premium Deficiency		0	0
Total (B)		304701 058	199239 766
Operating Profit/(Loss) from Miscellaneous Business C = (A-B)		19175 890	16360 994
APPROPRIATIONS			
Transfer to Shareholders' Account		19175 890	16360 994
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		19175 890	16360 994

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}

SANJEEV LALAN

Partner
Membership No.: 045329

Mumbai

Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital
Director

G Srinivasan
Director

V Ramasamy
Director

G B Pande
Director

V C Jain
GM Finance & CFO

Usha Sangwan
Director

Atanu Kumar Das
Director

A P Singh
Director

Y Ramulu
Director & GM

Suchita Gupta
Company Secretary

Registration No. 112

Date of Registration with IRDAI : 2nd April, 2001

**CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018
IN RESPECT OF MARINE INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹'000)	Previous Year (₹'000)
1. Premiums Earned (Net)	1	8671 582	10613 366
2. Profit on sale of Investments (Net)		640 676	942 665
3. Forex Gain/(Loss)		(28 571)	(28 535)
4. Interest, Dividend & Rent - Gross		1085 606	1559 650
Total (A)		10369 293	13087 146
1. Claims Incurred (Net)	2	2691 499	7560 956
2. Commission (Net)	3	2142 882	1601 637
3. Operating Expenses related to Insurance Business	4	80 902	67 904
4. Expenses relating to Investments		1 546	2 252
5. Premium Deficiency		0	0
Total (B)		4916 829	9232 749
Operating Profit/(Loss) from Marine Business C = (A-B)		5452 464	3854 397
APPROPRIATIONS			
Transfer to Shareholders' Account		5452 464	3854 397
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		5452 464	3854 397

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}

SANJEEV LALAN

Partner
Membership No.: 045329

Mumbai

Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital

Director

G Srinivasan

Director

V Ramasamy

Director

G B Pande

Director

V C Jain

GM Finance & CFO

Usha Sangwan

Director

Atanu Kumar Das

Director

A P Singh

Director

Y Ramulu

Director & GM

Suchita Gupta

Company Secretary

Registration No. 112

Date of Registration with IRDAI : 2nd April, 2001

CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018
IN RESPECT OF LIFE INSURANCE BUSINESS

Particulars	Schedule	Current Year (₹'000)	Previous Year (₹'000)
1. Premiums Earned (Net)	1	3827 817	2391 444
2. Profit on sale of Investments (Net)		76 659	38 434
3. Forex Gain/(Loss)		(3 051)	(19 042)
4. Interest, Dividend & Rent - Gross		129 651	70 600
Total (A)		4031 076	2481 436
1. Claims Incurred (Net)	2	4123 867	3490 565
2. Commission (Net)	3	28 009	59 354
3. Operating Expenses related to Insurance Business	4	29 670	25 000
4. Expenses relating to Investments		163	1 227
5. Premium Deficiency		0	0
Total (B)		4181 709	3576 146
Operating Profit/(Loss) from Life Business C = (A-B)		(150 633)	(1094 710)
APPROPRIATIONS			
Transfer to Shareholders' Account		(150 633)	(1094 710)
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		(150 633)	(1094 710)

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}

SANJEEV LALAN

Partner

Membership No.: 045329

Mumbai

Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA

Partner

Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital

Director

G Srinivasan

Director

V Ramasamy

Director

G B Pande

Director

V C Jain

GM Finance & CFO

Usha Sangwan

Director

Atanu Kumar Das

Director

A P Singh

Director

Y Ramulu

Director & GM

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 2018

Particulars	Schedule	Current Year (₹'000)	Previous Year (₹'000)
1. Operating Profit/(Loss)			
(a) Fire Insurance		699 529	6876 758
(b) Marine Insurance		5452 464	3854 397
(c) Miscellaneous Insurance		19175 890	16360 994
(d) Life Insurance		(150 633)	(1094 710)
2. Income from Investments			
(a) Interest, Dividend & Rent - Gross		8529 293	9545 328
(b) Profit on sale of Investments		5004 875	5784 575
Less: Loss of sale of Investment		0	0
3. Other Income:			
Forex Gain/(Loss)		115	11
Interest on Income-tax Refund		73 008	166 816
Miscellaneous Receipts		60 808	14 381
Total (A)		38845 349	41508 550
4. Provision for Doubtful Loans & Investment		417 775	293 993
5. Provision/(written off) for Doubtful Debts		874 993	2305 578
6. Amortisation of premium on Investments		260 835	185 152
7. Diminution in the value of investments written off		203 200	556 439
8. Other Expenses:			
Expenses relating to Investments		20 545	17 318
Forex Loss/(Gain)		371 880	229 905
(Profit)/Loss on sale of Assets (Net)		27	2 223
Interest & Others		93 662	56 293
Corporate Social Responsibility Expenses		177 779	160 272
IPO Expenses		129 246	0
Total (B)		2549 942	3807 173

Registration No. 112
Date of Registration with IRDAI : 2nd April, 2001
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018

Particulars	Schedule	Current Year (₹'000)	Previous Year (₹'000)
Profit Before Tax		36295 407	37701 377
Provision for Taxation:			
Current Tax		6854 717	6620 000
Wealth Tax		0	0
MAT Credit		(2494 776)	(1442 537)
Deferred Tax		(10 000)	(110 750)
Fringe Benefit Tax		0	0
Provision for Tax in respect of earlier years		0	(224 937)
MAT Credit of earlier year		(755)	119 319
Profit After Tax		31946 221	32740 282
Share of Profit in Associates Companies		(490 852)	3977 124
Profit for the year		31455 369	36717 406
Appropriations			
(a) Balance brought forward from last year		48896 411	12179 002
(b) Final Dividend		10020 000	0
(c) Dividend Distribution Tax		2039 872	0
(d) Transfer to General Reserve		19216 800	0
Balance carried forward to Balance Sheet		49075 107	48896 411
Basic and Diluted EPS		36.26	42.70

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
{Firm Regn No. 103142W}

SANJEEV LALAN

Partner
Membership No.: 045329

Mumbai
Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital
Director

G Srinivasan
Director

V Ramasamy
Director

G B Pande
Director

V C Jain
GM Finance & CFO

Usha Sangwan
Director

Atanu Kumar Das
Director

A P Singh
Director

Y Ramulu
Director & GM

Suchita Gupta
Company Secretary

Registration No. 112
Date of Registration with IRDAI : 2nd April, 2001
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2018

Particulars	Schedule		Current Year (₹'000)	Previous Year (₹'000)
SOURCES OF FUNDS				
Share Capital	5		4386 000	4300 000
Reserves and Surplus	6		237161 333	197526 143
Borrowings	7		0	0
Deferred Tax Liability			0	0
Fair Value Change Account				
Shareholders Fund			86379 698	100360 102
Policyholders Fund			211963 762	200011 411
Total			539890 793	502197 656
APPLICATION OF FUNDS				
Investments- Shareholders 8			228110 650	234060 260
Investments- Policyholders 8A			509802 953	430752 320
Loans	9		2820 852	3221 250
Fixed Assets	10		1721 896	1642 173
Goodwill on consolidation			273 832	273 832
Deferred Tax Asset			174 863	163 151
Current Assets:				
Cash and Bank Balances	11	142571 399		122314 294
Advances and Other Assets 12		244911 493		180712 763
Sub-Total (A)		387482 892		303027 057
Current Liabilities	13	460541 631		338035 699
Provisions	14	129955 514		132906 688
Sub-Total (B)		590497 145		470942 387
Net Current Assets (C)=(A-B)			(203014 253)	(167915 330)
Miscellaneous Expenditure	15		0	0
Total			539890 793	502197 656
CONTINGENT LIABILITIES			36775 137	33174 267

Significant Accounting Policies & Notes to Accounts form integral part of the Balance Sheet -Schedule 16

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
{Firm Regn No. 103142W}

SANJEEV LALAN

Partner
Membership No.: 045329

Mumbai
Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital
Director

G Srinivasan
Director

V Ramasamy
Director

G B Pande
Director

V C Jain
GM Finance & CFO

Usha Sangwan
Director

Atanu Kumar Das
Director

A P Singh
Director

Y Ramulu
Director & GM

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	100819 907	81845 656
Less: Premium on Reinsurance ceded	22469 833	20523 919
Net Premium	78350 074	61321 737
Adjustment for change in reserve for unexpired risks	(4602 787)	(4685 809)
Total Premium Earned (Net)	73747 287	56635 928
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	82257 483	66243 947
Less: Premium on Reinsurance ceded	1378 316	0
Net Premium	80879 167	66243 947
Adjustment for change in reserve for unexpired risks	56 97 785	(10323 349)
Total Premium Earned (Net)	86576 952	55920 598
(2) AVIATION		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	7496 011	6623 863
Less: Premium on Reinsurance ceded	1159 666	859 352
Net Premium	6336 345	5764 511
Adjustment for change in reserve for unexpired risks	(312 992)	(1001 288)
Total Premium Earned (Net)	6023 353	4763 223
(3) ENGINEERING		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	10213 360	8781 597
Less: Premium on Reinsurance ceded	469 533	281 906

SCHEDULE 1
PREMIUM EARNED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Net Premium	9743 827	8499 691
Adjustment for change in reserve for unexpired risks	(764 807)	(325 536)
Total Premium Earned (Net)	8979 020	8174 155
(4) WORKMENS' COMPENSATION		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	369 271	353 727
Less: Premium on Reinsurance ceded	0	0
Net Premium	369 271	353 727
Adjustment for change in reserve for unexpired risks	(8 721)	(49 651)
Total Premium Earned (Net)	360 550	304 076
(5) LIABILITY		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	4116 043	2334 040
Less: Premium on Reinsurance ceded	1247 278	196 649
Net Premium	2868 765	2137 391
Adjustment for change in reserve for unexpired risks	(370 426)	(357 208)
Total Premium Earned (Net)	2498 339	1780 183
(6) PERSONAL ACCIDENT		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	6147 859	5103 570
Less: Premium on Reinsurance ceded	0	0
Net Premium	6147 859	5103 570
Adjustment for change in reserve for unexpired risks	128 325	(633 980)
Total Premium Earned (Net)	6276 184	4469 590
(7) HEALTH		
Premium from Direct Business written	0	0

SCHEDULE 1
PREMIUM EARNED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Add: Premium on Reinsurance accepted	53273 882	41728 826
Less: Premium on Reinsurance ceded	1386 990	1112 266
Net Premium	51886 892	40616 560
Adjustment for change in reserve for unexpired risks	6538 243	(7567 452)
Total Premium Earned (Net)	58425 135	33049 108
(8) AGRICULTURE		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	131393 537	97523 269
Less: Premium on Reinsurance ceded	12280 865	6788 707
Net Premium	119112 672	90734 562
Adjustment for change in reserve for unexpired risks	(856 867)	(7863 801)
Total Premium Earned (Net)	118255 805	82870 761
(9) OTHER MISCELLANEOUS		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	6283 942	9879 373
Less: Premium on Reinsurance ceded	1170 194	1528 712
Net Premium	5113 748	8350 661
Adjustment for change in reserve for unexpired risks	15 52 777	(3004 587)
Total Premium Earned (Net)	6666 525	5346 074
(10) FINANCIAL LIABILITY/CREDIT		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	2449 126	2010 094
Less: Premium on Reinsurance ceded	623 726	446 000
Net Premium	1825 400	1564 094
Adjustment for change in reserve for unexpired risks	(133 952)	(122 938)
Total Premium Earned (Net)	1691 448	1441 156

SCHEDULE 1
PREMIUM EARNED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
TOTAL MISCELLANEOUS		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	304000 514	240582 306
Less: Premium on Reinsurance ceded	19716 568	11213 592
Net Premium	284283 946	229368 714
Adjustment for change in reserve for unexpired risks	11469 365	(31249 790)
Total Premium Earned (Net)	295753 311	198118 924
C MARINE INSURANCE		
(1) MARINE CARGO		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	4737 501	4590 756
Less: Premium on Reinsurance ceded	1041 887	615 766
Net Premium	3695 614	3974 990
Adjustment for change in reserve for unexpired risks	97 996	1051 807
Total Premium Earned (Net)	3793 610	5026 797
(2) MARINE HULL		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	8818 562	6727 165
Less: Premium on Reinsurance ceded	1657 327	1790 291
Net Premium	7161 235	4936 874
Adjustment for change in reserve for unexpired risks	(2283 263)	649 695
Total Premium Earned (Net)	4877 972	5586 569
TOTAL MARINE		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	13556 063	11317 921
Less: Premium on Reinsurance ceded	2699 214	2406 057

SCHEDULE 1
PREMIUM EARNED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Net Premium	10856 849	8911 864
Adjustment for change in reserve for unexpired risks	(2185 267)	1701 502
Total Premium Earned (Net)	8671 582	10613 366
D LIFE INSURANCE		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	4337 606	3662 018
Less: Premium on Reinsurance ceded	588 608	261 070
Net Premium	3748 998	3400 948
Adjustment for change in reserve for unexpired risks	78 819	(1009 504)
Total Premium Earned (Net)	3827 817	2391 444
E TOTAL ALL CLASSES		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	422714 090	337407 901
Less: Premium on Reinsurance ceded	45474 223	34404 638
Net Premium	377239 867	303003 263
Adjustment for change in reserve for unexpired risks	47 60 130	(35243 601)
Total Premium Earned (Net)	381999 997	267759 662

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
A FIRE INSURANCE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	52399 114	37828 334
Less: Reinsurance ceded	4031 427	7590 711
Net Claims Paid	48367 687	30237 623
Add: Claims Outstanding at the end of the year	101072 794	85214 158
Less: Claims Outstanding at the beginning of the year	85018 044	72946 184
Total Claims Incurred	64422 437	42505 597
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	47703 930	36184 241
Less: Reinsurance ceded	676 835	0
Net Claims Paid	47027 095	36184 241
Add: Claims Outstanding at the end of the year	95401 761	78863 595
Less: Claims Outstanding at the beginning of the year	78863 595	61161 102
Total Claims Incurred	63565 261	53886 734
(2) AVIATION		
Claims Paid		
Direct	11 281	(10)
Add: Reinsurance accepted	5372 159	5856 166
Less: Reinsurance ceded	591 460	1159 130
Net Claims Paid	4791 980	4697 026

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Add: Claims Outstanding at the end of the year	9960 585	8197 969
Less: Claims Outstanding at the beginning of the year	8197 969	8550 135
Total Claims Incurred	6554 596	4344 860
(3) ENGINEERING		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	4162 931	4320 751
Less: Reinsurance ceded	197 304	495 356
Net Claims Paid	3965 627	3825 395
Add: Claims Outstanding at the end of the year	16958 190	16367 961
Less: Claims Outstanding at the beginning of the year	16367 961	16497 841
Total Claims Incurred	4555 856	3695 515
(4) WORKMENS' COMPENSATION		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	80 832	119 396
Less: Reinsurance ceded	0	0
Net Claims Paid	80 832	119 396
Add: Claims Outstanding at the end of the year	548 011	358 439
Less: Claims Outstanding at the beginning of the year	358 439	210 187
Total Claims Incurred	270 404	267 648
(5) LIABILITY		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	367 928	757 580
Less: Reinsurance ceded	1 309	0

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Net Claims Paid	366 619	757 580
Add: Claims Outstanding at the end of the year	2597 413	1982 656
Less: Claims Outstanding at the beginning of the year	1982 656	1726 140
Total Claims Incurred	981 376	1014 096
(6) PERSONAL ACCIDENT		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	3132 477	1604 186
Less: Reinsurance ceded	0	0
Net Claims Paid	3132 477	1604 186
Add: Claims Outstanding at the end of the year	3780 066	2772 646
Less: Claims Outstanding at the beginning of the year	2772 646	2015 981
Total Claims Incurred	4139 897	2360 851
(7) HEALTH		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	37164 927	31490 150
Less: Reinsurance ceded	1394 608	821 479
Net Claims Paid	35770 319	30668 671
Add: Claims Outstanding at the end of the year	16667 363	11364 043
Less: Claims Outstanding at the beginning of the year	11364 043	12428 273
Total Claims Incurred	41073 639	29604 441
(8) AGRICULTURE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	62351 316	9355 538

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Less: Reinsurance ceded	2097 528	86 342
Net Claims Paid	60253 788	9269 196
Add: Claims Outstanding at the end of the year	125329 521	59122 246
Less: Claims Outstanding at the beginning of the year	59122 246	1594 774
Total Claims Incurred	126461 063	66796 668
(9) OTHER MISCELLANEOUS		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	3621 909	3404 003
Less: Reinsurance ceded	806 804	1979 727
Net Claims Paid	2815 105	1424 276
Add: Claims Outstanding at the end of the year	11082 409	6518 674
Less: Claims Outstanding at the beginning of the year	6518 674	8405 047
Total Claims Incurred	7378 840	(462 097)
(10) FINANCIAL LIABILITY/CREDIT		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	1554 748	3270 042
Less: Reinsurance ceded	115 676	0
Net Claims Paid	1439 072	3270 042
Add: Claims Outstanding at the end of the year	6698 409	3773 875
Less: Claims Outstanding at the beginning of the year	3773 875	6872 775
Total Claims Incurred	4363 606	171 142
TOTAL MISCELLANEOUS		
Claims Paid		
Direct	11 281	(10)

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Add: Reinsurance accepted	165513 157	96362 053
Less: Reinsurance ceded	5881 524	4542 034
Net Claims Paid	159642 914	91820 009
Add: Claims Outstanding at the end of the year	289023 728	189322 104
Less: Claims Outstanding at the beginning of the year	189322 104	119462 255
Total Claims Incurred	259344 538	161679 858
C MARINE INSURANCE		
(1) MARINE CARGO		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	1875 789	2174 741
Less: Reinsurance ceded	62 374	22 595
Net Claims Paid	1813 415	2152 146
Add: Claims Outstanding at the end of the year	5928 630	6002 720
Less: Claims Outstanding at the beginning of the year	6002 720	5906 120
Total Claims Incurred	1739 325	2248 746
(2) MARINE HULL		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	3519 617	3377 253
Less: Reinsurance ceded	1228 848	263 928
Net Claims Paid	2290 769	3113 325
Add: Claims Outstanding at the end of the year	10601 263	11939 858
Less: Claims Outstanding at the beginning of the year	11939 858	9740 973
Total Claims Incurred	952 174	5312 210

SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹'000)	Previous Year (₹'000)
TOTAL MARINE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	5395 406	5551 994
Less: Reinsurance ceded	1291 222	286 523
Net Claims Paid	4104 184	5265 471
Add: Claims Outstanding at the end of the year	16529 893	17942 578
Less: Claims Outstanding at the beginning of the year	17942 578	15647 093
Total Claims Incurred	2691 499	7560 956
D LIFE INSURANCE		
Claims Paid		
Direct	0	0
Add: Reinsurance accepted	3159 826	3042 766
Less: Reinsurance ceded	336 216	341 614
Net Claims Paid	2823 610	2701 152
Add: Claims Outstanding at the end of the year	3145 809	1845 552
Less: Claims Outstanding at the beginning of the year	1845 552	1056 139
Total Claims Incurred	4123 867	3490 565
E TOTAL ALL CLASSES		
Claims Paid		
Direct	11 281	(10)
Add: Reinsurance accepted	226467 503	142785 147
Less: Reinsurance ceded	11540 389	12760 882
Net Claims Paid	214938 395	130024 255
Add: Claims Outstanding at the end of the year	409772 224	294324 392
Less: Claims Outstanding at the beginning of the year	294128 278	209111 671
Total Claims Incurred	330582 341	215236 976

**SCHEDULE 3
COMMISSION**

Particulars	Current Year (₹'000)	Previous Year (₹'000)
A FIRE INSURANCE		
Commission Paid		
Direct	209 449	346 294
Add: Reinsurance Accepted	22815 831	16751 270
Less: Commission on Reinsurance Ceded	5372 720	389 267
Net Commission	17652 560	16708 297
Break-up of Commission		
Brokerage	3693 476	3365 353
Commision Paid	13959 084	13342 944
Total Commission	17652 560	16708 297
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Commission Paid		
Direct	4 590	23 189
Add: Reinsurance Accepted	14755 546	11259 587
Less: Commission on Reinsurance Ceded	191 400	25 004
Net Commission	14568 736	11257 772
Break-up of Commission		
Brokerage	541 564	460 816
Commision Paid	14027 172	10796 956
Total Commission	14568 736	11257 772
(2) AVIATION		
Commission Paid		
Direct	0	32 125
Add: Reinsurance Accepted	1280 876	982 670

SCHEDULE 3
COMMISSION

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Less: Commission on Reinsurance Ceded	135 890	77 996
Net Commission	1144 986	936 799
Break-up of Commission		
Brokerage	538 165	486 054
Commision Paid	606 821	450 745
Total Commission	1144 986	936 799
(3) ENGINEERING		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	2260 559	2021 888
Less: Commission on Reinsurance Ceded	2319 938	2 952
Net Commission	(59 379)	2018 936
Break-up of Commission		
Brokerage	186 710	116 864
Commision Paid	(246 089)	1902 072
Total Commission	(59 379)	2018 936
(4) WORKMENS' COMPENSATION		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	51 191	46 497
Less: Commission on Reinsurance Ceded	0	0
Net Commission	51 191	46 497
Break-up of Commission		
Brokerage	4026	3 673
Commision Paid	47 165	42 824
Total Commission	51 191	46 497

**SCHEDULE 3
COMMISSION**

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(5) LIABILITY		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	525 880	295 647
Less: Commission on Reinsurance Ceded	178 829	13 353
Net Commission	347 051	282 294
Break-up of Commission		
Brokerage	43 963	32 939
Commision Paid	303 088	249 355
Total Commission	347 051	282 294
(6) PERSONAL ACCIDENT		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	1886 434	1564 404
Less: Commission on Reinsurance Ceded	63 754	0
Net Commission	1822 680	1564 404
Break-up of Commission		
Brokerage	73 918	81 663
Commision Paid	1748 762	1482 741
Total Commission	1822 680	1564 404
(7) HEALTH		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	10990 363	8155 196
Less: Commission on Reinsurance Ceded	86 156	38 929
Net Commission	10904 207	8116 267

SCHEDULE 3
COMMISSION

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Break-up of Commission		
Brokerage	78 124	168 641
Commision Paid	10826 083	7947 626
Total Commission	10904 207	8116 267
(8) AGRICULTURE		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	14613 959	9553 567
Less: Commission on Reinsurance Ceded	187 079	1 549
Net Commission	14426 880	9552 018
Break-up of Commission		
Brokerage	237 441	0
Commision Paid	14189 439	9552 018
Total Commission	14426 880	9552 018
(9) OTHER MISCELLANEOUS		
Commission Paid		
Direct	2 94 990	2 36 128
Add: Reinsurance Accepted	1537 900	1968 794
Less: Commission on Reinsurance Ceded	1494 473	442 724
Net Commission	338 417	1762 198
Break-up of Commission		
Brokerage	119019	225 780
Commision Paid	219398	1536 418
Total Commission	338417	1762 198

**SCHEDULE 3
COMMISSION**

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(10) FINANCIAL LIABILITY/CREDIT		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	443 777	291 067
Less: Commission on Reinsurance Ceded	11 068	0
Net Commission	432 709	291 067
Break-up of Commission		
Brokerage	11 217	9 496
Commision Paid	421 492	281 571
Total Commission	432 709	291 067
TOTAL MISCELLANEOUS		
Commission Paid		
Direct	2 99 580	2 91 442
Add: Reinsurance Accepted	48346 485	36139 317
Less: Commission on Reinsurance Ceded	4668 587	602 507
Net Commission	43977 478	35828 252
Break-up of Commission		
Brokerage	1834 147	1585 926
Commision Paid	42143 331	34242 326
Total Commission	43977 478	35828 252
C MARINE INSURANCE		
(1) MARINE CARGO		
Commission Paid		
Direct	0	83 346
Add: Reinsurance Accepted	920 669	1024 634

SCHEDULE 3 COMMISSION

Particulars	Current Year (₹'000)	Previous Year (₹'000)
Less: Commission on Reinsurance Ceded	371 404	142 655
Net Commission	549 265	965 325
Break-up of Commission		
Brokerage	83 324	83 886
Commision Paid	465 941	881 439
Total Commission	549 265	965 325
(2) MARINE HULL		
Commission Paid		
Direct	121 273	0
Add: Reinsurance Accepted	2061 448	686 020
Less: Commission on Reinsurance Ceded	589 104	49 708
Net Commission	1593 617	636 312
Break-up of Commission		
Brokerage	490 988	341 163
Commision Paid	1102 629	295 149
Total Commission	1593 617	636 312
TOTAL MARINE		
Commission Paid		
Direct	1 21 273	83 346
Add: Reinsurance Accepted	2982 117	1710 654
Less: Commission on Reinsurance Ceded	960 508	192 363
Net Commission	2142 882	1601 637
Break-up of Commission		
Brokerage	574 312	425 049
Commision Paid	1568 570	1176 588
Total Commission	2142 882	1601 637

**SCHEDULE 3
COMMISSION**

Particulars	Current Year (₹'000)	Previous Year (₹'000)
D LIFE INSURANCE		
Commission Paid		
Direct	0	0
Add: Reinsurance Accepted	28 820	61 784
Less: Commission on Reinsurance Ceded	811	2 430
Net Commission	28 009	59 354
Break-up of Commission		
Brokerage	8 406	14 625
Commission Paid	19 603	44 729
Total Commission	28 009	59 354
E TOTAL ALL CLASSES		
Commission Paid		
Direct	6 30 302	7 21 082
Add: Reinsurance Accepted	74173 253	54663 025
Less: Commission on Reinsurance Ceded	11002 626	1186 567
Net Commission	63800 929	54197 540
Break-up of Commission		
Brokerage	6110 341	5390 953
Commission Paid	57690 588	48806 587
Total Commission	63800 929	54197 540

SCHEDULE 4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 Employees' remuneration & welfare benefits	1078 981	1007 157
2 Travel, conveyance and vehicle running expenses	79 733	85 346
3 Training expenses	13 222	22 560
4 Rents, rates and taxes	80 281	76 233
5 Repairs	183 081	211 744
6 Printing & stationery	3 831	5 410
7 Communication	18 153	17 075
8 Legal & professional charges	95 975	108 671
9 Auditors' fees, expenses etc.*		
(a) as auditor	14 516	11 549
(b) as advisor or in any other capacity, in respect of		
(i) Taxation matters	300	300
(ii) Others	14	0
10 Advertisement and publicity	89 849	65 508
11 Interest & Bank Charges	22 979	16 198
12 IT Expenses	130 657	98 690
13 Depreciation	77 991	99 479
14 Service Tax Expenses A/c	16 975	3 737
15 Swatchh Bharat Cess	691	349 399
16 Others	393 174	339 702
Total	2300 403	2518 758

*Auditors fees doesn't include ₹ 8,000/- thousand paid to auditors for IPO assignment .

**SCHEDULE 5
SHARE CAPITAL**

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 Authorised Capital 200,00,00,000 Equity Shares of ₹ 5/- Each	10000 000	10000 000
2 Issued & Subscribed Capital 87,72,00,000 (PY 86,00,00,000) Equity Shares of ₹ 5/- Each	4386 000	4300 000
3 Called-up Capital 87,72,00,000 (PY 86,00,00,000) Equity Shares of ₹ 5/- Each (Includes 81,20,00,000 shares of ₹ 5/- issued by capitalisation of Capital Redemption Reserve and General Reserve, 1,00,00,000 partly paid shares (₹ 2.50 per share paid) made fully paid-up shares by capitalisation of General Reserve)	4386 000	4300 000
Total	4386 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	752500 000	85.78%	860000 000	100%
Foreign		-		
Others	124700 000	14.22%		
Total	877200 000	100%	860000 000	100%

As per the resolution passed at the Extraordinary General Meeting held on 4th August 2017 it was approved to consolidate 1,000,00,00,000 (One Thousand Crore) equity shares of ₹ 1/- (Rupee One) each into 200,00,00,000 (Two hundred Crore) equity shares of ₹ 5/- (Rupee Five) each. Accordingly, the number of equity shares and the face value thereof for all the reported periods has been recorded at ₹ 5/- per share for Authorized, Issued & Subscribed and Called-up Equity Share capital of the Corporation

The Corporation has concluded its Initial Public Offer (IPO) of ₹ 1,125,683.11 Lakh in the month of October 2017 comprising a fresh issue of 17,200,000 equity shares aggregating to ₹ 155,266.64 Lakh and an offer for sale of 107,500,000 equity shares by the Promoter, Ministry Of Finance, Govt. Of India aggregating to ₹ 970,416.47 Lakh.

SCHEDULE 6
RESERVES AND SURPLUS

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 General Reserve		
Opening Balance	144081 038	144081 038
Add: Transfer from Profit & Loss A/c	19216 800	0
	163297 838	144081 038
2 Share premium Account	15440 664	0
3 Catastrophe Reserve	0	0
4 Transfer to reserve	8 758	(331)
5 Foreign Currency Translation Reserve	9338 966	4549 025
6 Balance of Profit in Profit & Loss Account	49075 107	48896 411
Total	237161 333	197526 143

SCHEDULE 7
BORROWINGS

N I L

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	49883 346	41676 934
2 Other Approved Securities	775 821	2105 948
3 Other Investments		
(a) Shares		
(aa) Equity - Indian	107704 248	118232 649
Equity - Foreign	2413 375	611 025
(bb) Preference	1316 143	15 925

SCHEDULE 8
INVESTMENTS - SHAREHOLDERS' FUND

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(b) Mutual Funds	332 350	79 040
(c) Derivative Instruments	0	0
(d) Debentures/Bonds Indian	7497 394	8950 098
Debentures/Bonds Foreign	53 675	0
(e) Other Securities		
Guaranteed Equity	145	167
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	3728 328	3757 106
4 Investments in Infrastructure and Social Sector		
(a) Equity	4329 660	5535 338
(b) Debentures/Bonds	21357 402	21792 462
5 Other than Approved Investments		
(a) Equity/Preference/Debentures/Venture Funds	1970 205	2012 211
(b) Preference	9 072	8 274
(c) Debentures/Bond	1450 687	2322 831
(d) Venture Funds	439 397	582 832
(e) Associate Indian	12470 255	12998 431
Short Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	1952 180	2368 531
2 Other Approved Securities	153 524	235 629
3 Other Investments		
(a) Shares		
(aa) Equity	0	0
(bb) Preference	5 356	7 041

SCHEDULE 8
INVESTMENTS - SHAREHOLDERS' FUND

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(b) Mutual Funds	5086 190	6453 440
(c) Derivative Instruments	0	0
(d) Debentures/Bond Indian	1481 757	1167 032
Debentures/Bond Foreign	0	0
(e) Other Securities	0	0
Commercial Paper	190 070	77 138
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Debentures/Bond	2730 679	2287 382
5 Other than Approved Investments		
(a) Preference Shares	3 815	1 500
(b) Debentures/Bond	775 576	781 295
(c) Mutual Funds	0	0
Total	228110 650	234060 259

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	119929 952	83036 471
2 Other Approved Securities	1903 767	2875 261
3 Other Investments		
(a) Shares		
(aa) Equity - Indian	264292 471	235651 364
Equity - Foreign	970 593	37 457
(bb) Preference	694 255	21 119
(b) Mutual Funds	174 945	71 296
(c) Derivative Instruments	0	0
(d) Debentures/Bonds Indian	18397 648	17838 583
Debentures/Bonds Foreign	28 254	0
(e) Other Securities		
Guaranteed Equity	355	333
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Equity	10624 434	11032 571
(b) Debentures/Bonds	52408 338	43434 900
5 Other than Approved Investments		
(a) Equity/Preference/Debentures/Venture Funds	5340 810	4279 279
(b) Preference	22 262	16 492
(c) Debentures/Bond	3559 801	4629 672

SCHEDULE 8 A
INVESTMENTS - POLICYHOLDERS' FUND

Particulars	Current Year (₹'000)	Previous Year (₹'000)
(d) Venture Funds	1078 224	1161 650
(e) Associate Indian	0	0
Short Term Investments		
1 Government securities and Government guaranteed bonds including Treasury Bills	4790 402	4720 757
2 Other Approved Securities	376 728	469 636
3 Other Investments		
(a) Shares		
(aa) Equity	0	0
(bb) Preference	13 142	14 033
(b) Mutual Funds	12480 860	12862 453
(c) Derivative Instruments	0	0
(d) Debentures/Bond Indian	3636 041	2326 030
Debentures/Bond Foreign	0	0
(e) Other Securities	0	0
Commercial Paper	466 408	153 745
(f) Subsidiaries	0	0
(g) Associates - Indian	0	0
Associates - Foreign	0	0
4 Investments in Infrastructure and Social Sector		
(a) Debentures/Bond	6700 737	4559 018
5 Other Investments		
(a) Preference Shares	9 362	2 989
(b) Debentures/Bond	1903 164	1557 212
(c) Mutual Funds	0	0
Total	509802 953	430752 321

SCHEDULE 9
LOANS

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 Security-wise Classification		
Secured		
(a) On mortgage of property		
(aa) In India	401 895	549 175
(bb) Outside India	0	0
(b) On Shares, Bonds, Government Securities	0	0
(c) Investments in State Govt. Loans for Housing and Fire fighting	2350 570	2603 688
Unsecured	68 387	68 387
Total	2820 852	3221 250
2 Borrower-Wise Classification		
(a) Central and State Governments	2350 570	2600 947
(b) Banks and Financial Institutions	0	0
(c) Subsidiaries	0	0
(d) Industrial Undertakings	447 343	596 017
(e) Others	22 939	24 286
Total	2820 852	3221 250
3 Performance-Wise Classification		
(a) Loans classified as standard		
(aa) In India	2183 940	2552 640
(bb) Outside India	0	0
(b) Non-performing loans less provisions		
(aa) In India	0	0
(bb) Outside India	0	0
Provisions*	636 912	668 610
Total	2820 852	3221 250
4 Maturity-Wise Classification		
(a) Short - Term	262 256	345 318
(b) Long - Term	2558 596	2875 932
Total	2820 852	3221 250

*Includes Provision for Bad and Doubtful Loans

SCHEDULE 10
FIXED ASSETS

(₹'000)

Particulars	Cost/Gross Block				Depreciation				Net Block	
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	Upto 31.03.2017	Twelve months ended 31.03.2018	On Sales/ Adjust ment	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Leasehold Land "Suraksha"	247 253	0	0	247 253	92 720	3 434	0	96 154	151 099	154 534
Freehold Land	560 132	0	0	560 132	0	0	0	0	560 132	560 132
Buildings	1004 714	129 107	0	1133 821	263 220	15 002	0	278 223	855 598	741 494
Furniture & Fittings	35 890	2 389	100	38 179	21 290	2 907	378	23 819	14 359	14 597
I.T. Equipments	138 811	5 743	788	143 767	121 189	9 106	698	129 598	14 169	17 622
I.T. Software	355 757	0	0	355 757	241 649	37 211	0	278 860	76 897	114 109
Vehicles	55 323	18 610	3 551	70 382	21 460	8 162	1 347	28 275	42 108	33 867
Office Equipments	20 438	1 782	195	22 026	15 888	1 728	225	17 391	4 635	4 550
AC & Water Coolers	13 040	303	0	13 343	11 914	145	0	12 059	1 285	1 127
Elevators	2 073	0	0	2 073	2 073	0	0	2 073	0	0
Canteen Appliances	475	2	0	477	425	19	0	444	33	50
Electrical Installation	10 005	1 644	0	11 648	9 914	154	0	10 067	1 581	91
Fire Alarm Systems	3 408	0	0	3 408	3 408	0	0	3 408	0	0
Total	2447 319	159 580	4 634	2602 266	805 150	77 868	2 648	880 371	1721 896	1642 173
Previous year's total	2432 379	35 281	20 306	24477 354	722 870	99 479	17 168	805 181	1642 173	

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*	2 769	131
2 Bank Balances		
(a) Deposit Accounts - Short term (due within 12 months)	102934 379	95290 624
(b) Current Accounts	9473 394	5344 947
3 Money at Call and Short Notice		
(a) With Bank	586078	452 710
(b) With other Institutions	29574 779	21225 882
Total	142571 399	122314 294
*Includes Cheques on hand ₹ 2 504/- thousand (PY ₹ Nil)		
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	52017 544	39630 859
2 Application Money for Investments	1016 004	200 000
3 Prepayments	79 384	60 672
4 Advances to Directors/Officers	5 448	5 726
5 Advance Tax Paid and TDS	20463 668	17272 936
Less: Provision for Taxation	19820 965	16751 319
	642 703	521 617
6 Others	115 106	225 448
7 Deferred Commission	212 662	17 451
Total (A)	54088 851	40661 773
Other Assets		
1 Income accrued on investments	9423 910	8389 392
2 Due from other entities carrying on insurance business (including reinsurers)	151554 812	113130 900
3 Deposit U/S-7 of Insurance Act	0	0
4 Sundry Debtors	847 398	1345 952
5 Sundry Deposits	8727 632	411 911
6 MAT Credit Entitlement	18864 155	16368 625
7 Service Tax Unutilised Credit	0	404 210
8 GST Asset	1404 735	0
Total (B)	190822 642	140050 990
Total (A+B)	244911 493	180712 763

SCHEDULE 13
CURRENT LIABILITIES

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 Balances Due to other insurance companies	29551 671	18583 880
2 Deposits held on re-insurance ceded	16424 637	23782 621
3 Sundry Creditors	2086 587	1047 822
4 Claims Outstanding	410091 938	294447 992
5 Service Tax Liability	278 679	173 384
6 GST Liability	2093 278	0
7 VAT Liability Dubai	14 841	0
Total	460541 631	338035 699

SCHEDULE 14
PROVISIONS

Particulars	Current Year (₹'000)	Previous Year (₹'000)
1 Reserve for Unexpired Risk	117139 328	121899 460
2 For Doubtful Loans, Investment and Debts	9198 421	7908 883
3 For Leave Encashment	356 839	332 085
4 Provision for Pension	99 384	44 926
5 Provision for Gratuity	10 181	48 438
6 Provision for Settlement	16 422	15 216
7 For PLLI Arrears	32 000	25 000
8 Provision for Taxation	16194 610	12355 436
Less: Advance Tax Paid and TDS	13091 671	9722 756
	3102 939	2632 680
Total	129955 514	132906 688

SCHEDULE 15
MISCELLANEOUS EXPENDITURE

N I L

SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (CFS) AS ON 31st MARCH 2018

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".

1.7 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. 31st March, 2018 or up to 31st December 2017 in case where the subsidiaries or associates close their financial year on that date. 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, resulting in some variations as compared to Indian GAAP followed by the holding company. GIC Re, India, Corporate Member Ltd., retrocedes entire business to GIC Re while GIC Re South Africa Ltd. retrocedes a portion of the business to GIC Re excluding Life Business. For the purpose of preparing the CFS, accounting adjustments have not been made to align the accounts of the subsidiaries to confirm with 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 (URR) – GIC Re South Africa Ltd. has calculated Unexpired Risk Reserve (URR) at 50% on proportional treaty business and 75% on non-proportional 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 retrocedes all of its underwriting business to GIC Re.

- 1.8.2** IBNR provisions are recognised as per the terms provided by the Financial Services Board (FSB) of South Africa. 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.

- 1.8.5** Deferred Commission is accounted in accordance with the provisions of local GAAP.

- 1.8.6** Depreciation is accounted in accordance with the provisions of local GAAP.

- 1.8.7** The amounts lying under Fixed Deposits and Negotiable Certificates of Deposits with a validity of less than one year relating to GIC Re South Africa Ltd. have been classified as investments by the Statutory Auditors of the Subsidiary. The same classification has been adopted while preparing the Consolidated Financial Statements.

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 of India (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 Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, revenue and expenses for the year ended and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

3.2 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 Insurance Pool Business, where GIC Re is one of the members of the Pool, only the Corporation's share of revenue is recorded in the books of accounts.

4 OUTSTANDING CLAIMS

4.1 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 claim figures in the books for submission of the data

to the "Appointed Actuary" and wherever such advices are not received, on estimates based on available information, current trends, past underwriting experience of the management and actuarial estimation basis.

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

5 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 and outstanding for more than four years.

6 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.

6.1 Non-Monetary items including fixed assets and investments abroad are reported using the exchange rate applicable on the date of acquisition.

6.2 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.

6.3 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.8.

7 RESERVE FOR UNEXPIRED RISK (URR)

The URR provisions are made as under:

7.1 Non-Life Business:

- (i) For HO and Malaysia Branch:

Reserve for Unexpired Risk in respect of Marine Insurance (Hull) 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) London and Dubai Branch:

Reserve for Unexpired Risk is provided as per local practice. Adjustment for excess or short provision in URR, as per IRDAI requirement, is accounted at Head Office.

7.2 Life Business:

Reserve for Unexpired Risk is provided as determined by Appointed Actuary based on accepted actuarial methods.

8. APPORTIONMENT OF INTEREST, DIVIDENDS AND RENTS

As per the requirement of IRDAI, 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 end of the year. The same is further apportioned amongst the revenue accounts on the basis of the respective Policyholder's fund at the end of the year. Shareholder's fund consists of share capital and free reserves. Policyholder's fund consists of provision for outstanding claims and reserves for unexpired risks. Till previous year the apportionment was done in the ratio of Shareholder's Fund and Policyholder's Fund

respectively at the beginning of the year (Refer Note No. 7 of Notes Forming Part of the Accounts).

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.

Tangible Fixed Assets are stated at cost (including incidental expenses relating to acquisition and installation) less accumulated depreciation.

Intangible Assets:

Intangible Fixed Assets representing software are recorded at its acquisition price and are amortized over their estimated useful life on a straight-line basis, commencing from the date the assets are available for use. The management has estimated the useful life for such software as three years. The useful life of the asset is reviewed by the management at each Balance Sheet date.

10. 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.

11. 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.

12. 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 Note-8 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.8.

13 INVESTMENTS

13.1 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.

13.2 The cost of investments includes premium on acquisition and other related expenses.

13.3 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.

13.4 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.

13.5 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.

13.6 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.

13.7 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.

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

13.9 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 end of the

year. The same are further apportioned amongst the revenue accounts on the basis of the respective Policyholders' Fund at the end 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.

- 13.10 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.
- 13.11 In case of repo transaction, difference between the selling and buying value is treated as interest income.
- 13.12 Income received from the Fixed Maturity Mutual fund (Dividend Option) is booked as dividend.
- 13.13 Investments are apportioned between Shareholders' Fund & Policyholders' Fund in the

ratio of balance available in the respective funds at the end of the year.

14. 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.

15. 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.

16. PREMIUM DEFICIENCY RESERVE (PDR):

Non-Life Business: Premium deficiency is worked out separately for each segmental revenue level basis viz. fire, marine and miscellaneous. As per IRDAI circular no. IRDAI Reg/7/119/2016 dated 7th April, 2016, PDR is calculated by Non-Life Appointed Actuary.

Life Re business: As per IRDAI circular no. IRDAI/Reg/7/121/2016 dated 13th April, 2016, PDR is calculated by Life Re Appointed Actuary.

II NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS ON 31st MARCH 2018.

The accounts of the subsidiary company, GIC Re India Corporate Member Ltd., London, UK, and Associates, India International Pvt. 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 is no material change during the quarter January 2018 to March 2018 requiring adjustments to the figures reported in the audited/ unaudited accounts as received.

1. Investments

- 1.1. Provision of ₹ 498,935 thousand (Previous Year ₹ 460,032 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.
- 1.2. The book value of investments valued on Fair Value basis is ₹ 95,130,527 thousand (Previous year ₹ 75,923,101 thousand).

2. Re-insurance - Life Reinsurance Business -URR

During the year, the Corporation has made a provision of ₹ 909,186 thousand (Previous Year ₹ 988,005 thousand) towards unexpired risk reserve for life business as determined by Life Appointed Actuary.

3. 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 31.03.2018	Year ending 31.03.2017
Pension Superannuation Scheme(Employees' Pension Fund)	116,053	64,774
Leave Encashment (Earned leave and Sick Leave)	24,811	86,846
Gratuity(Employees Gratuity Fund)	10,181	48,438
Provident Fund(Employees Provident Fund)	0	0
Settlement Benefit	1,206	1,192

A) Change in the Present Value of Obligation

(₹ in thousand)

Particulars	Pension		Gratuity		Leave Salary*		Settlement	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Present Value of Obligation as 1 April	1,623,232	1,414,829	429,740	371,197	332,028	245,183	15,216	14,024
Interest Cost	115,859	107,781	30,959	28,287	25,433	17,898	1,111	1,024
Past Service Cost	0	0	0	0	0	0	0	0
Current Service Cost	46,021	49,766	23,060	22,698	17,514	17,061	714	705
Curtailment Cost/(Credit)	0	0	0	0	0	0	0	0
Settlement Cost/(Credit)	0	0	0	0	0	0	0	0
Benefit Paid	(72,253)	(73,139)	(10,746)	(20,293)	0	0	0	0
Actuarial (Gain)/Loss on Obligation	117,366	123,995	43,166	27,851	(18,137)	51,886	(618)	(537)
Present Value of Obligation at 31 st March	1,830,225	1,623,232	516,180	429,740	356,839	332,028	16,422	15,216

*EL + SL

B) Change in the Fair value of Plan Assets

(₹ in thousand)

Particulars	Pension		Gratuity		Leave Salary		Settlement	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Fair Value of Plan Assets as at 1 April	1,578,306	1,320,858	381,302	337,724	0	0	0	0
Expected return on Plan Assets	141,207	121,164	32,008	27,676	0	0	0	0
Actuarial Gain/(Loss) on Obligation	21,987	95,603	54,996	2,721	0	0	0	0
Contribution	61,595	113,821	48,438	33,473	0	0	0	0
Benefit Paid	(72,253)	(73,140)	(10,746)	(20,292)	0	0	0	0
Fair Value of Plan Assets at 31 st March	1,730,841	1,578,306	505,998	381,302	0	0	0	0
Unpaid Amount	0	0	0	0	0	0	0	0
Fair Value of Plan (Net) Assets at 31 st March	17,30,841	1,578,306	505,998	381,302	0	0	0	0
Actual return	163,193	216,767	87,004	30,398	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	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Present Value of Obligation	1,830,225	1,623,232	516,180	429,740	356,839	332,028	16,422	15,216
Fair Value of Plan Assets	1,730,841	1,578,306	505,998	381,302	0	0	0	0
Unfunded Net Asset/(Liability) Recognized in Balance Sheet	(99,384)	(44,926)	(10,181)	(48,438)	356,839	(332,028)	(16,422)	(15,216)

*EL + SL

D) Expenses recognized in the Profit and Loss Account

(₹ in thousand)

For year ending 31 st March 2018	Pension	Gratuity	Leave Salary*	Settlement
Current Service Cost	46,021	23,060	17,514	714
Interest Cost	115,859	30,959	25,433	1,111
Curtailment Cost/(Credit)	0	0	0	0
Settlement Cost/(Credit)	0	0	0	0
Expected Return on Plan Assets	(141,207)	(32,008)	0	0
Net actuarial (gains)/losses recognized in the period	95,380	(11,830)	(18,137)	(618)
Total Expenses recognized in the Profit & Loss A/c	116,053	10,181	24,811	1,206

*EL + SL

(₹ in thousand)

For year ending 31 st March 2017	Pension	Gratuity	Leave Salary*	Settlement
Current Service Cost	49,766	22,698	17,061	705
Interest Cost	107,780	28,287	17,898	1,024
Curtailment Cost/(Credit)	0	0	0	0
Settlement Cost/(Credit)	0	0	0	0
Expected Return on Plan Assets	(121,164)	(27,677)	0	0
Net actuarial (gains)/losses recognized in the period	28,390	25,130	51,886	(537)
Total Expenses recognized in the Profit & Loss A/c	64,774	48,438	86,846	1,192

*EL + SL

E) Plan Assets

(In %)

Particulars	Pension		Gratuity		Leave Salary*		Settlement	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Government Securities {Central & State}	55.00	55.00	0.00	0.00	0.00	0.00	0.00	0.00
High quality Corporate Bonds	0.00	00.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	45.00	45.00	100.00	100.00	0.00	0.00	0.00	0.00

*EL+SL

F) Actuarial Assumption

(In %)

Particulars	Pension		Gratuity		Leave Salary*		Settlement	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Discount Rate	7.66	7.30	7.66	7.30	7.66	7.30	7.66	7.30
Expected return on assets	9.00	9.00	8.00	8.00	0.00	0.00	0.00	0.00
Salary Escalation*	8.00	8.00	10.00	10.00	10.00	10.00	10.00	10.00
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	2006-08	2006-08	1994-96	1994-96

*EL+SL

G) Other Disclosures

Pension

(₹ in thousand)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012 - 13
Experience Adjustment						
On obligation	117,366	123,995	103,224	16,205	183,129	42,677
On plan assets	(21,986)	(95,603)	4,448	(60,980)	9,392	4,330
Present Value of obligation	1,830,225	1,623,232	1,414,830	1,303,844	1,159,320	905,058
Fair Value of plan assets	1,730,841	1,578,306	1,320,857	1,272,735	923,723	845,167
Excess of obligation over plan assets	(99,384)	(44,926)	(93,972)	(31,109)	(235,597)	(59,891)

Gratuity

(₹ in thousand)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012 - 13
Experience Adjustment						
On obligation	43,166	27,851	43,921	93,092	(18,360)	(9,536)
On plan assets	(54,996)	(2,721)	(35,455)	18,615	629	7,322
Present Value of obligation	516,180	429,740	371,197	301,229	183,862	183,101
Fair Value of plan assets	505,998	381,302	337,724	225,554	195,961	187,826
Excess of obligation over plan assets	(10,181)	(48,438)	(33,473)	(75,675)	12,099	4,725

Leave salary

(₹ in thousand)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012 - 13
Experience Adjustment						
On obligation	(18,137)	51,886	(37,199)	(43,100)	1,320	(1,268)
On plan assets	0	0	0	0	0	0
Present Value of obligation	356,839	332,028	245,182	227,340	221,463	165,615
Fair Value of plan assets	0	0	0	0	0	0
Excess of obligation over plan assets	356,839	(332,028)	(245,182)	(227,340)	(221,463)	(165,615)

Settlement

(₹ in thousand)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012 - 13
Experience Adjustment						
On obligation	(618)	(537)	178	0	119	156
On plan assets	0	0	0	0	0	0
Present Value of obligation	16,422	15,216	14,024	12,195	10,648	8,800
Fair Value of plan assets	0	0	0	0	0	0
Excess of obligation over plan assets	(16,422)	15,216	14,024	12,195	10,648	8,800

Actuarial gain/loss has been charged to Profit and Loss Account.

4. Related party Disclosures as per Accounting Standard - 18 "Related Party Transaction" issued by ICAI:**a) Associate Company:**

- India International Pte. Limited, Singapore
- Agriculture Insurance Company of India Limited, New Delhi, India
- GIC Bhutan Re Ltd, Bhutan

Nature and volume of transactions: With (a) above

b) Associates

(₹ in thousand)

Period	Agriculture Ins. Co. Ltd		India International Pte Ltd.		GIC-BHUTAN RE	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Premium Accepted	3,26,62,335	4,14,54,812	8,316	17,860	44,008	16,641
Premium Ceded	1,21,671	8,619	-	3,969	-	-
Net Premium	3,25,40,664	4,14,46,193	8,316	13,891	44,008	16,641
Commission Paid	35,24,997	43,30,536	931	235	-	34
Commission Recovered	27,200	1,549	-	-	-	-
Net Commission	34,97,798	43,28,987	931	235	-	34
Claims Paid	2,33,22,642	41,93,007	1,07,465	1,22,411	-	-
Claims Recovered	54,845	-	-	-	-	-
Net Claims	2,32,67,797	41,93,007	1,07,465	1,22,411	-	-
Balance as on 31st March (-) indicates amount payable by GIC					-	-

c) Key Management Personnel:

- | | | |
|---|---|--|
| 1. Chief Executive Officer | : | Mrs. Alice G. Vaidyan |
| 2. Chief Marketing Officer | : | Mr. Pauly Sukumar N. |
| 3. Chief Investment Officer | : | Mr. Satyajit Tripathy (upto 22.01.2018) |
| Chief Investment Officer | : | Mr. Uttam Kumar Sharma (w.e.f. 22.01.2018) |
| 4. Financial Advisor &
Chief of Internal Audit | : | Mr. G.C. Gaylong (upto 24.05.2017) |
| | : | Mr. D.R. Waghela (w.e.f. 24.05.2017) |
| 5. Chief Financial Officer | : | Mr. V.C. Jain |
| 6. Chief Risk Officer | : | Ms. Madhulika Bhaskar |
| 7. Chief Compliance Officer | : | Ms. Suchita Gupta |
| 8. Appointed Actuary
(General Insurance) | : | Ms. Priscilla Sinha |
| 9. Appointed Actuary
(Life Insurance) | : | Ms. Padmaja R. (upto 30.06.2017) |

ii. Details of Key Managerial Personnel Remuneration for the year ended 31.03.2018 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	Ms. Alice Vaidyan	Chief Executive Officer	3,407	256	377	0	32	0	0
2	Pauly Sukumar N	Chief Marketing Officer	2,087	135	209	0	32	0	48
3	Satyajit Tripathy (upto 22.01.2018) 285 days	Chief Investment Officer	1,465	98	143	34	17	0	38
4	Uttam Kr Sharma (wef 22.01.2018) 69 days	Chief Investment Officer	352	24	35	0	4	0	0
5	G.C. Gaylong	Financial Advisor & Chief of Internal Audit (upto 24.05.2017) 54 days	306	22	30	0	3	0	200
6	D. R. Waghela	Financial Advisor & Chief of Internal Audit (wef 24.05.2017) 232 days	1399	90	140	0	21	0	30
7	V. C. Jain	Chief Financial Officer	2,127	138	214	0	32	0	48
8	Ms Madhulika Bhaskar	Chief Risk Officer	2,065	128	0	0	22	0	50
9	Ms Suchita Gupta	Chief Compliance Officer	2,022	130	203	0	22	0	49
10	Ms Priscilla Sinha	Appointed Actuary (General Insurance)*	7,595	0	0	0	11	0	0
11	Ms Padmaja R.	Appointed Actuary (Life Insurance) upto 30.06.2017*	911	0	0	0	0	0	0

*Professional fees

Details of Key Managerial Personnel Remuneration for the year ended 31.03.2017 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	Mrs. Alice G. Vaidyan	Chairman cum Managing Director	2,759	248	0	0	22	0	49
2	Mr. Pauly Sukumar N	Chief Marketing Officer	2,186	131	202	0	22	0	63
3	Mr. Satyajit Tripathy	Chief Investment Officer	1,971	122	178	53	22	0	78
4	Mr. G C Gaylong	Chief of Internal Audit	2,413	146	215	0	22	0	66
5	Mr. V C Jain	Chief Financial Officer	2,129	132	193	0	22	0	78
6	Ms. Madhulika Bhaskar	Chief Risk Officer	1,851	125	0	0	22	0	81
7	Ms. Suchita Gupta	Chief Compliance Officer	2,058	127	186	0	22	0	78
8	Ms. Priscilla Sinha	Appointed Actuary (General Insurance)*	4,078	0	0	0	0	0	0
9	Ms. Padmaja R.	Appointed Actuary (Life Insurance)*	3,403	0	0	0	0	0	0

*Professional fees

5. Earnings per Share (EPS) as per Accounting Standards 20 issued by ICAI:

	2017-18	2016-17
Profit after Tax (₹ '000)	₹ 31,455,412	₹ 36,715,855
Number of equity shares (weighted avg.)	867,539,726	860,000,000
Nominal value of share (₹)	₹ 5/-	₹ 5/-
Basic and Diluted EPS (in ₹)	₹ 36.26/-	₹ 42.70/-

6. 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 31.03.2018		As on 31.03.2017	
	Deferred Tax		Deferred Tax	
	Asset	Liability	Asset	Liability
Timing difference on account of difference in book depreciation & depreciation under Income Tax Act, 1961.	3,995		5,759	-
Provision for employee's benefits	140,253		128,846	-
Others	30,838		28,855	-
Foreign Branches		223		309
TOTAL	175,086	223	163,460	309
Net Deferred Tax	174,863		163,151	-

7. The financial statements for the year have been prepared on the basis of same accounting policies as adopted in the previous year corresponding year except for the basis of bifurcation of policyholders' fund and shareholders' fund. Till previous year, the bifurcation was made in the ratio of Shareholder's Fund and Policyholder's Fund respectively at the beginning of the year. The bifurcation

is now in the ratio of Shareholder's Fund and Policyholder's Fund respectively at the end of each quarter. The said change is necessitated in view of the clarifications received from the Regulator in November 2017 about computation of policyholder's fund. The impact due to the change is provided in table below:

(₹ in thousand)

SN	Details	Shareholder's Fund	Policyholder's fund	Net Impact
1	Ratio as per earlier policy	30%	70%	
2	Ratio as per revised policy	28.95%	71.05%	
3	Impact in Investment -Schedule 8 & 8 A due to change in policy	(40 035.34)	40 035.34	NIL
4	Impact in Investment Income due to change in policy	(6 170.57)	6 170.57	NIL
5	Forex Gain/Loss	91.01	(91.01)	NIL

8. 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 as on 31.03.2018 ₹ 19,501,805 thousand (Previous year ₹ 15,864,369 thousand)
- (e) Statutory demand/liabilities in dispute - Income-tax demands disputed, not provided for ₹ 17,262,332 thousand (Previous year ₹ 17,298,899 thousand).

Year –wise break up as follows:

(₹ in thousand)

SI No.	Assessment Year	Amount
1	2002-03	694,362
2	2003-04	757,312
3	2004-05	1,879,038
4	2005-06	1,849,956
5	2006-07	2,680,573
6	2007-08	3,126,779
7	2008-09	3,149,757
8	2009-10	1,809,812
9	2012-13	1,079,551
10	2013-14	163,957
11	2014-15	71,235
	Total	17,262,332

(f) Reinsurance obligations to the extent not provided for in the accounts ₹ NIL (Previous year ₹ NIL) in view of Significant Accounting Policy No. 3.1.

(g) Majority of the pending legal/arbitration matters with the Legal Department 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. In MACT/Hit and Run matters, GIC is wrongly impleaded despite not being the administrator of the

Solatium Scheme. Consequently, no financial impact of such cases is envisaged.

9. Segment Reporting:

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.

TOTAL BUSINESS

(₹ in thousand)

Class of Business	Earned Premium		Incurred Claims		Net Commission		Expenses of Management		Profit/(Loss) on Exchange		Premium Deficiency		Underwriting Profit/(Loss)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Fire	73747 287	56635 928	64422 438	42505 596	17652 560	16708 297	858 091	710 173	(163 069)	(140 156)	0	0	(9348 871)	(3428 295)
Motor	86576 951	55920 598	63565 260	53886 734	14568 736	11257 773	611 870	467 115	(130 274)	(88 321)	0	0	7700 812	(9779 344)
Aviation	6023 354	4763 224	6554 597	4344 860	1144 985	936 799	65 847	54 578	(13 061)	(9 572)	0	0	(1755 136)	(582 585)
Engineering	8979 019	8174 155	4555 856	3695 514	(59 379)	2018 936	83 680	66 049	(27 598)	(8 683)	0	0	4371 264	2384 973
W.C.	360 549	304 076	270 404	267 649	51 191	46 497	2 704	2 448	(643)	(355)	0	0	35 607	(12 873)
Liability	2498 339	1780 184	981 376	1014 096	347 051	282 294	29 336	15 954	(4 390)	(2 565)	0	0	1136 185	465 275
PA	6276 185	4469 590	4139 896	2360 852	1822 680	1564 404	41 540	33 239	(5 957)	(4 138)	0	0	266 112	506 958

Class of Business	Earned Premium		Incurred Claims		Net Commission		Expenses of Management		Profit/(Loss) on Exchange		Premium Deficiency		Underwriting Profit/(Loss)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Health	58425 135	33049 109	41073 639	29604 441	10904 207	8116 267	421 119	328 209	(33 841)	(26 382)	0	0	5992 329	(5026 191)
Agri	118255 805	82870 762	126461 063	66796 668	14426 880	9552 017	835 023	0	(199 897)	0	0	0	(23667 059)	6522 076
Other Misc.	6666 525	5346 074	7378 840	(462 096)	338 418	1762 199	(776 311)	734 936	(38 277)	(38 142)	0	0	(312 699)	3272 893
FL/Credit	1691 448	1441 156	4363 606	171 141	432 709	291 067	20 219	13 153	(7 732)	(7 945)	0	0	(3132 819)	957 849
Marine Cargo	3793 609	5026 798	1739 325	2248 745	549 264	965 324	27 756	30 570	(7 853)	(9 397)	0	0	1469 410	1772 761
Marine Hull	4877 972	5586 570	952 174	5312 209	1593 618	636 312	49 228	37 334	(20 717)	(19 142)	0	0	2262 236	(4184 26)
Life	3827 817	2391 444	4123 867	3490 564	28 009	59 354	30 301	25 000	(3 051)	(19 044)	0	0	(357 411)	(1202 518)
TOTAL	381999 997	267759 667	330582 343	215236 973	63800 930	54197 540	2300 403	2518 757	(656 360)	(373 841)	0	0	(15340 039)	(4567 444)

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)	92.77	215259 169	102.80	32335 846
Subsidiaries Companies (Foreign)				
a. GIC Re South Africa Ltd., Johannesburg	1.61	3732 598	(1.89)	(594 173)
b. GIC Re India Corporate Member Ltd., London, UK	0.00	774	(0.01)	(1 816)
Associates Foreign (investment as per Equity method)				
a. India International Pte. Ltd., Singapore	1.52	3537 918	(0.06)	(17 445)
b. GIC Re Bhutan Ltd., Bhutan	0.00	10 685	0.03	8 180
Associates Indian (investment as per Equity method)				
a. Agriculture Insurance Company of India Ltd. New Delhi	5.07	11770 255	(1.68)	(528 175)
Total	100.97	234311 399	99.19	31202 417
Adjustments arising out of consolidation	(0.97)	(2277 896)	0.81	252 951
Share of Minority in Subsidiaries				
Consolidated Net Worth*/Net Profit	100 %	232033 503	100%	31455 368

*Net Worth= Share Capital +Reserves and Surplus-Deferred Tax Assets- Foreign Currency Translation Reserve

- 11.** During the year under review, irregularities in acceptance of reinsurance contracts and short collection of premium by an employee of the Corporation had been detected.

In a case where the competent authority had declined the acceptance of a Facultative risk (since it was not within the risk appetite), the employee had conveyed acceptance of the same through the Broker. Under this contract, a loss amounting to EUR 5.4 million (₹ 433,200 thousand) has been reported. This was a major loss for leading insurers/reinsurers in the world. Even GIC has suffered this loss through other authorized acceptances. There is a possibility of recovery under the Corporation's Reinsurance Protection Programme.

There were also certain cases of short remittances of premium amounting to USD 636,376 (₹ 41,400 thousand), out of which USD 477,376 (₹ 31,100 thousand) has been

recovered from/agreed to be paid by the Broker concerned. For the balance amounting to USD 159,000 (₹ 10,300 thousand) recovery is being pursued.

After the incidence, the process and procedure have been reviewed and controls/Maker-Checker system have been strengthened in the department. Further, the Enterprise Risk Management department has formulated detailed Standard Operating Procedure (SOP) for various underwriting departments, Business Accounts Section and Claims Vertical for strengthening the systems and control ensuring all important functions follow the four-eye policy of Maker-Checker.

12. Major Events occurring after Balance Sheet Date:

Following is the detail of one major loss reported by ICICI Lombard GIC and Reliance Gen. Ins, which occurred during the month of April 2018:

(₹ in thousand)

Name of Insured	Cause of loss	DOL	100% loss	GIC's share of Gross Loss	GIC's share of Net loss
Privi Organics	Fire	26.04.2018	2,500,000	1,555,200	1,000,000
M/s. Garden Reach Shipbuilders and Engineers Ltd.	Damage due to storm	17.04.2018	1,250,000	594,800	594,800

- 13.** The Corporation has prepared Cash flow statement adopting the indirect method.

- 14.** Prior period items have not been separately disclosed, as the amount is not material.

- 15.** 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}

SANJEEV LALAN

Partner
Membership No.: 045329

Mumbai

Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital
Director

G Srinivasan
Director

V Ramasamy
Director

G B Pande
Director

V C Jain
GM Finance & CFO

Usha Sangwan
Director

Atanu Kumar Das
Director

A P Singh
Director

Y Ramulu
Director & GM

Suchita Gupta
Company Secretary

Consolidated Cash Flow Statement

CFS



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018 AS PER INDIRECT METHOD

(₹ '000)

Particulars	31.03.2018	31.03.2017
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation as per Profit & Loss A/c	36295 409	37701 377
Adjustments for:		
Exchange -Loss/Gain charged	1028 125	602 942
Provision for diminution in value of investment	203 200	556 439
Provision for doubtful loans, investments & Debts	1289 539	2595 645
Amortisation of Premium on Investment	260 835	185 152
Depreciation	77 868	99 479
- Profit/Loss on sale of Assets	27	2 216
Shares of Profits in associates company	(490 852)	0
Provision for Leave Encashment & Salary Arrears	49 161	79 014
Sundry Balances Written off/-back	0 2417 903	0 4120 887
Operating Profit before working capital changes	38713 312	41822 264
Changes in Unexpired Risk Reserves	(4760 130)	35254 658
Changes in Premium Deficiency Reserve	0	0
Changes in Provisions for Outstanding Claims	115643 946	83797 934
Changes in Income accrued on Investments	(1034 517)	(122 115)
Changes in Balances with Insurance Companies	(47200 790)	(78840 756)
Changes in Advance and Deposits	(12232 529)	54981 431
Changes in other Current Liabilities	3252 179 53668 159	(54730 926) 40340 226
Cash generated from operations	92381 471	82162 490
Income Tax Paid (Net)	(4011 725)	(3150 430)
Net Cash from Operating Activities	88369 746	79012 060
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(159 580)	(35 278)
Proceeds from sale of Fixed Assets	1 959	1 424
Foreign Currency Translation Reserve	47 99 026	(5191 664)
Changes in net Investments	(59666 049)	(38312 152)
Net Cash used in Investing Activities	(55024 644)	(43537 670)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018
AS PER INDIRECT METHOD**

(₹'000)

Particulars	31.03.2018	31.03.2017
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid	(10020 000)	(8600 000)
Dividend Tax Paid	(2039 872)	(1750 788)
Net Cash from Financing Activities	(12059 872)	(10350 788)
D) Effect of Foreign Exchange on Cash & Cash equivalents(Net)	(1028 125)	(602 942)
Net increase in Cash and Cash equivalents (A+B+C+D)	20257 105	24520 660
Cash and Cash equivalents at beginning of period	122314 294	97793 634
Cash and Cash equivalents at the end of period	142571 399	122314 294

As per our report of even date

For GBCA & ASSOCIATES

Chartered Accountants
{Firm Regn No. 103142W}

SANJEEV LALAN

Partner
Membership No.: 045329

Mumbai

Dated: 25.05.2018

For SAMRIA & CO

Chartered Accountants
{Firm Regn No. 109043W}

ADHAR SAMRIA

Partner
Membership No.: 049174

Alice G Vaidyan

Chairman-cum-Managing Director

Ravi Mital
Director

G Srinivasan
Director

V Ramasamy
Director

G B Pande
Director

V C Jain
GM Finance & CFO

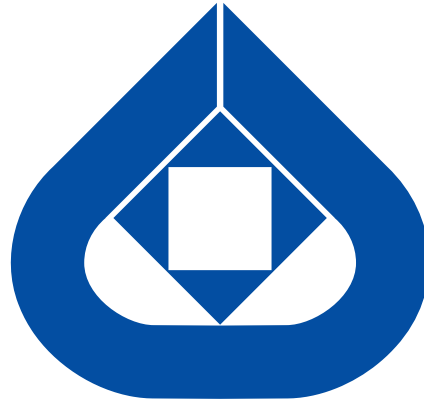
Usha Sangwan
Director

Atanu Kumar Das
Director

A P Singh
Director

Y Ramulu
Director & GM

Suchita Gupta
Company Secretary



आपत्काले रक्षिष्यामि
GIC Re SA Ltd.

GIC RE SOUTH AFRICA LTD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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:
C. G. Asirvatham
Managing Director and Chief Executive Officer



आपत्काले रक्षिष्यामि
GIC Re SA Ltd.

CONTENTS

Directors' Responsibility Statement	243
Audit Committee Report	244
Statutory Actuary's Report.....	246
Directors' Report	249
Independent Auditor's Report.....	251
Statement of Financial Position.....	253
Statement of Comprehensive Income.....	254
Statement of Changes in Equity	255
Statement of Cash Flows	256
Notes to the Financial Statements	257

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 2018, 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 03 May 2018 and are signed on their behalf by

C G Asirvatham
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 2018, 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.

W Mwase
Company Secretary

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	Qualifications	Position	Independent
S Bhikha	24-Apr-14	B Compt Hons CA(SA)	Chairman	Yes
J Bagg	24-Apr-14	B.Sc. FASSA, FIA, ASA	Member	Yes
B N Narasimhan	23-Jun-16	MA, MBA, B.Sc., AIII	Member	No

The executive directors and managing executives attend the committee meetings by invitation only. The external and internal auditors have unrestricted access to the audit committee.

Meetings

The audit committee held four meetings during the year. Attendance at the meetings is shown below:

	15-May-17	2-Aug-17	17-Nov-17	23-Mar-18					
Members					C G Asirvatham (Managing Director & Chief Executive Officer Designate)	N.A.	N.A.	N.A.	Yes
S Bhikha	Yes	Yes	Yes	Yes	C I Moosa (Director, non-executive)	N.A.	N.A.	N.A.	Yes
J Bagg	Yes	Yes	Yes	Yes	S Karmarkar (Chief Operating Officer)	Yes	Yes	Yes	Yes
B N Narasimhan	Yes	Yes	Yes	No	S K Jangir (Chief Financial Officer)	Yes	Yes	No	Yes
Invitees					S K Chintapalli (Chief Technology Officer)	N.A.	Yes	Yes	Yes
A G Vaidyan (Chairman of the Board, Non-executive)	No	No	No	Yes	A Malherbe (External Auditor)	Yes	Yes	No	Yes
D Prasad (Managing Director & Chief Executive Officer)	Yes	Yes	Yes	Yes	N Bikhani (External Auditor)	Yes	No	Yes	Yes
					M Mia (Internal Auditor)	Yes	Yes	Yes	Yes
					G Williams (Internal Auditor)	N.A.	N.A.	N.A.	Yes
					C Falconer (Life Actuary)	Yes	No	No	No

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, internal 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 2018, 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 2018 and the results of operations and cash flows for the year then ended.

S Bhikha

Chairman of the audit committee
03 May 2018

GIC RE SOUTH AFRICA LTD

STATUTORY ACTUARY'S REPORT (LIFE BUSINESS)

AS AT 31 MARCH 2018

STATEMENT OF ASSETS, LIABILITIES, EXCESS ASSETS AND CAPITAL REQUIREMENTS

Particulars	Year ended 31 March 2018 R'000	Year ended 31 March 2017 R'000
Published Reporting Basis		
Total value of life assets as per statement of financial position	26,340	32,399
Actuarial value of policy liabilities	-	13,835
Current and other liabilities as per the life statement of financial position	241	278
Total value of liabilities	241	14,113
Excess Assets	26,099	18,286
Statutory Basis		
Total value of assets as per life statement of financial position	26,340	32,399
Disallowed assets	-	(546)
Value of assets on the Statutory Basis	26,340	31,853
Actuarial value of life policy liabilities	-	13,835
Current and other liabilities as per life statement of financial position	241	278
Total value of liabilities	241	14,113
Excess Assets	26,099	17,740
Capital Adequacy Requirements	10,000	10,000
CAR Cover	261%	177%
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	26,099	18,286
Excess Assets as at beginning of reporting period	18,286	18,841
Change in Excess Assets over the reporting period	7,813	(555)

GIC RE SOUTH AFRICA LTD

STATUTORY ACTUARY'S REPORT (LIFE BUSINESS)

AS AT 31 MARCH 2018

STATEMENT OF ASSETS, LIABILITIES, EXCESS ASSETS AND CAPITAL REQUIREMENTS

Particulars	Year ended 31 March 2018 R'000	Year ended 31 March 2017 R'000
The change in the excess assets is due to the following factors:		
Investment return generated by excess assets over liabilities:		
Investment income	1,897	1,308
Capital appreciation	303	324
Total investment return on excess assets	2,200	1,632
Operating profit / (loss)	(8,222)	(2,721)
Changes in valuation methods or assumptions	13,835	534
Reported profit in annual financial statements	7,813	(555)
Total change in Excess Assets	7,813	(555)
Reconciliation of Excess Assets between Published Reporting Basis and Statutory Basis		
Excess Assets on Published Reporting Basis	26,099	18,286
Less: Asset Adjustments in terms of Schedule 3 of the Act	-	(546)
Excess Assets on Statutory Basis	26,099	17,740

GIC RE SOUTH AFRICA LTD

STATUTORY ACTUARY'S REPORT (LIFE BUSINESS)

AS AT 31 MARCH 2018

NOTES TO THE STATEMENT OF ASSETS, LIABILITIES, EXCESS ASSETS AND CAPITAL REQUIREMENTS

Changes in Published Reporting Valuation Methods or Assumptions

All business was recaptured before the year-end valuation as at 31 March 2018. Hence, the actuarial liabilities were released.

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 actuarial liabilities were released as at 31 March 2018.

Published Reporting Liability Valuation Methods and Assumptions

The actuarial liabilities were released as at 31 March 2018 as all business was recaptured prior to the year-end valuation date.

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 insurer'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 2018, 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
Thursday, May 03, 2018

GIC RE SOUTH AFRICA LTD DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors have pleasure in presenting their report for the year ended 31 March 2018.

Business

GIC Re South Africa Ltd is a 100% owned subsidiary of General Insurance Corporation of India (GIC Re), which is owned by the Government of India.

GIC Re South Africa holds a composite licence but to date only Short-Term reinsurance has been activated. Since the acquisition of the company the run-off life reinsurance business has been entirely recaptured. For the year ended 2018, the company has started writing PVT (political violence and terrorism) reinsurance and Retakaful business. The company's territorial scope was widened to include five more countries from Africa and the company now underwrites business from the entire African continent except Libya and Egypt.

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 a professional attitude.

The company was rated BB+ (Global) and zaAA+ (National) with a stable outlook by S&P ratings in July 2017.

GIC Re South Africa Ltd's operation in Johannesburg commenced underwriting business on 1 January 2015. For the year ended 31 March 2018, the company recorded a growth of 138% in GWP as accounted.

Global Economic Outlook:

As per the World Economic Outlook Update (January 2018) published by the International Monetary Fund, global

economic activity continues to firm up. Global output is estimated to have grown by 3.7% in 2017. The accelerated growth has been broad based, with notable upside surprises in Europe and Asia. The stronger momentum experienced in 2017 is expected to carry in 2018 and 2019 with global growth revised up to 3.9% for both years. The U.S. tax policy changes are expected to stimulate activity.

The emerging and developing Asia will grow at around 6.5% over 2018-19 broadly the same pace as in 2017. Growth in Middle East and North Africa is also expected to pick up in 2018 and 2019 but remains subdued at around 3.5%. The growth in Sub-Saharan Africa is anticipated to be an increase from 2.7% in 2017 to 3.3% in 2018 and 3.5% in 2019.

South Africa Economic Outlook:

The current positive sentiment and expectations of economic and political stability have bolstered the rating agencies to seriously consider upward adjustments in rating. Recently, in March 2018, the rating agency Moody's has kept South Africa's long term foreign and local currency debt rating unchanged at Baa3 but revised the country's outlook to "stable" from "negative". The Agency believed that the previous weakening of South Africa's institutions will gradually reverse under a more transparent and predictable policy framework. South Africa has now seen a return of sorely needed investor confidence.

The South African Reserve Bank has said that the economy appears to have reached a turning point that could see growth rising faster than initial forecasts. The SARB's bi-annual Monetary Policy Review released in April 2018 said its forecasts indicated growth in the medium term but warned that the absence of meaningful reforms would curb it to 2%. The SARB said there were abundant reform opportunities that could boost the economy. The central bank last month reversed its growth forecast upwards to 1.7% this year from 1.4%.

The World Bank also said in April this year that country's economy would grow 1.4% from 1.1%. The most optimistic

forecast thus far has come from rating agency S & P Global Ratings, which put South Africa's growth for this year at 2% from 1% previously.

The Bureau for Economic Research (BER) has forecast a more upbeat economic outlook for South Africa in the next 18 to 24 months.

Share capital

The company issued 294 906 675 ordinary shares of no par value totalling R589.81 million during 2018 (2017: 71 200 000 ordinary shares of no par value totalling R142.40 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 (2017: Nil).

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	29-Mar-18
C G Asirvatham (Managing Executive)	29-Mar-18	

The directors in office at the date of this report are :	Date Appointed	Date Resigned
S Bhikha (Independent, non-executive)	24-Apr-14	
C I Moosa (Independent, non-executive)	24-Apr-14	
J Bagg (Lead Independent, non-executive)	24-Apr-14	

Directors' interest

No directors have a conflicting interest in the company.

Secretary and registered office

W Mwase is the company secretary. The registered office and office of the secretary are:

First Floor, Block C
Riviera Road Office Park
No. 6-9 Riviera Road
Houghton - 2193

Auditor

KPMG Inc.

Company registration number

1956/003037/06

Number of employees

The number of people employed by the company at 31 March 2018 is 23 (2017: 20).

To the shareholder of GIC Re South Africa Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of GIC Re South Africa Limited (the company) set out on pages 253 to 288 which comprise the statement of financial position as at 31 March 2018, and the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of GIC Re South Africa Limited as at 31 March 2018, 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for *Accountants Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Audit Committee Report and the declaration of the Company Secretary as required by the Companies Act of South Africa and Director's Responsibility Statement and Statutory Actuary's Report. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the

company or to cease operations, or have no realistic alternative but to do so.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the

audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 5 years.

KPMG Inc.
Registered Auditor

Per Antoinette Malherbe
Chartered Accountant (SA)
Registered Auditor
Director
Thursday, May 03, 2018

KPMG Crescent
85 Empire Road
Parktown
2193

GIC RE SOUTH AFRICA LTD

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

Particulars	Note	Year ended 31 March 2018 R	Year ended 31 March 2017 R
ASSETS			
Equipment	5	1,830,253	1,243,485
Technical assets under insurance contracts		1,646,450,383	776,433,850
Retroceded outstanding claims	6	821,256,341	405,829,555
Retroceded policyholder liabilities	7	-	3,059,190
Retroceded unearned premium reserve	8	627,884,718	287,805,264
Gross deferred acquisition costs	9	197,309,324	79,739,841
Investments	10	1,339,797,265	539,218,376
Deferred taxation	11	5,425,210	5,971,195
Amounts due from companies on reinsurance contracts		909,050,084	343,620,234
Other accounts receivable		3,499,320	1,891,299
Cash at bank and on hand	25.2	130,549,637	77,673,244
Total assets		4,036,602,152	1,746,051,683
LIABILITIES AND SHAREHOLDER'S EQUITY			
Technical liabilities under insurance contracts		1,996,197,456	903,576,353
Gross outstanding claims	6	983,586,426	478,388,281
Gross policyholder liabilities under life insurance contracts	7	-	16,894,528
Gross unearned premium reserve	8	835,957,690	332,164,908
Retroceded deferred acquisition cost	9	176,653,340	76,128,636
Deposits withheld from retrocessionaires		1,290,984,362	619,411,431
Amounts due to companies on reinsurance contracts		34,011,891	26,778,839
Other accounts payable	12	6,170,724	439,485
Total liabilities		3,327,364,433	1,550,206,108
SHAREHOLDER'S EQUITY			
Share capital	13	843,713,350	253,900,000
Revaluation reserve	14	141,956	1,733,310
Retained earnings		(134,617,587)	(59,787,735)
Total shareholder's equity		709,237,719	195,845,575
Total liabilities and shareholder's equity		4,036,602,152	1,746,051,683

GIC RE SOUTH AFRICA LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

Particulars	Note	Year ended 31 March 2018 R	Year ended 31 March 2017 R
Gross premiums written		1,641,253,719	688,644,606
Retroceded premiums		(1,267,664,011)	(592,848,686)
Net premiums written		373,589,708	95,795,920
Change in provision for unearned premiums	8	(163,713,328)	(26,274,630)
Gross		(503,792,782)	(148,755,482)
Reinsured		340,079,454	122,480,852
Net premium earned		209,876,380	69,521,290
Commission income	17	266,209,780	137,398,775
Net investment income	15	44,574,954	22,279,312
Decrease in net life policyholder liabilities	7	13,835,338	4,062,675
Net income		534,496,452	233,262,052
Claims incurred, net of reinsurance	16	(220,441,026)	(74,345,058)
Commission expense	17	(294,606,833)	(126,667,050)
Interest paid		(9,953,112)	(3,563,617)
Investment management expenses		(3,034,423)	(1,805,492)
Management expenses		(25,991,898)	(23,717,580)
Increase in provision for doubtful debts		(3,168,950)	(820,639)
Foreign exchange loss		(53,175,431)	(28,881,344)
Loss before taxation	18	(75,875,221)	(26,538,728)
Taxation	19	(545,985)	-
Loss for the year		(76,421,206)	(26,538,728)
Other comprehensive income for the year, net of taxation		-	-
Total comprehensive loss for the year		(76,421,206)	(26,538,728)

GIC RE SOUTH AFRICA LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

Particulars	Share capital R	Revaluation reserve R	Retained earnings R	Total R
31 March 2018				
Balance as at 1 April 2017	253,900,000	1,733,310	(59,787,735)	195,845,575
Share issue	589,813,350	-	-	589,813,350
Non-life	589,813,350	-	-	589,813,350
Total comprehensive profit/(loss) for the period	-	-	(76,421,206)	(76,421,206)
Non-life	-	-	(84,234,930)	(84,234,930)
Life	-	-	7,813,724	7,813,724
Transfer to reserves				
Revaluation of investments	-	(1,591,354)	1,591,354	-
Balance as at 31 March 2018	843,713,350	141,956	(134,617,587)	709,237,719
31 March 2017				
Balance as at 1 April 2016	111,500,000	1,664,865	(33,180,562)	79,984,303
Share issue	142,400,000	-	-	142,400,000
Non-life	142,400,000	-	-	142,400,000
Total comprehensive loss for the year	-	-	(26,538,728)	(26,538,728)
Non-life	-	-	(25,984,392)	(25,984,392)
Life	-	-	(554,336)	(554,336)
Transfer from reserves				
Revaluation of investments	-	68,445	(68,445)	-
Balance as at 31 March 2017	253,900,000	1,733,310	(59,787,735)	195,845,575

GIC RE SOUTH AFRICA LTD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

Particulars	Note	Year ended 31 March 2018 R	Year ended 31 March 2017 R
Cash flows from operating activities			
Cash generated by operations	25.1	230,376,946	126,107,562
Interest received		30,608,343	15,852,281
Interest paid		(9,953,112)	(3,563,617)
Dividends received		1,279,037	574,665
Net cash inflow from operating activities		252,311,214	138,970,891
Cash flows from investing activities			
Net acquisition of investments		(787,891,315)	(240,962,205)
Additions to property and equipment		(1,460,416)	(293,754)
Proceeds on disposal of property and equipment		103,560	16,334
Net cash outflow from investing activities		(789,248,171)	(241,239,625)
Cash flows from financing activities			
Shares issued		589,813,350	142,400,000
Net increase in cash and cash equivalents		52,876,393	40,131,266
At the beginning of year		77,673,244	37,541,978
At the end of year	25.2	130,549,637	77,673,244

GIC RE SOUTH AFRICA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

GIC Re South Africa Ltd ("Company") is a company domiciled in South Africa. The company is wholly owned by General Insurance Corporation of India (GIC Re) and authorised to write short-term and long-term insurance business.

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.

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 unexpired 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 or 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 the 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.

1.19 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.

1.20 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:

- GIC Re South Africa Limited commenced its operations from 01 January 2015 and is underwriting non-life reinsurance business emanating from Sub-Saharan Africa. In the month of October 2017, the company's territorial scope was widened to underwrite business from 5 North African Countries namely Algeria, Tunisia, Morocco, Sudan and South Sudan. As a result GIC Re South Africa has been underwriting business from the entire Africa continent except Egypt and Libya. Currently, the company has underwritten business

from across 32 countries of the region. Although, the business is well diversified, a significant portion of the premium is written from South Africa comprising almost 64%, Kenya 8% and Nigeria around 3.5% of the total book of business.

- The company launched two new products this year namely (1) Stand-alone Political Violence and Terrorism (PVT) and (2) Retakaful business to the market. The PVT business underwritten by the company amounts to R1.81 million. The Retakaful business currently forms a very small portion and underwritten premium is R0.46 million. It is proposed to grow this business in the coming year.
- The company has regarded its concentration in South Africa as a primary concern from the point of view of hailstorm and earthquake exposures. To mitigate the underwriting risk, it has in place a 70% Whole Account Quota Share Treaty from Sirius, Sweden. Further based on its internal assessment and a catastrophe model sourced from a third party, has calculated realistic disaster scenario in any one catastrophe and as a matter of abundant precaution procured an excess of loss protection from GIC Re, India for US\$ 34.5 million Xs. US\$ 0.5 million for the year 2017-18. The cover is currently in place. These arrangements will protect the capital of the company in any catastrophe event. The current Excess of Loss protection is based on 1 in 350 year return period for an earthquake arising from South Africa and a similar exercise has been done with cover being renewed from 01 April 2018 as well.
- For PVT business, the company has obtained an Excess of Loss Protection for 12 months beginning 01 August, 2017 from the Lloyd's Market.
- The Retakaful business has been protected under the existing Whole Account Quota Share Treaty and Whole Account Excess of Loss Cover.

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 has recaptured the entire life business in the year ended 2018 and no liabilities are remaining at the year end related to this business.

The significant types of reinsurance contracts underwritten in the past, where the company had 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.

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 life division has been in run-off for approximately 16 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 0.48% (2017: 0.23%) of the total assets.

At 31 March 2018, the company's ordinary listed equities were recorded at their fair value of R89.10 million (2017: R16.3 million). A hypothetical 25% decline in each share's price would have decreased profit before taxation by R22.28 million (2017: R4.08 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 2018 profit before taxation by less than R100,000 (2017: R250,000).

- 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 36% of the contracts, the transacting currency is US dollar. Initially the company's focus is to build foreign currency reserves and match ZAR, USD and EUR liabilities with ZAR, USD and EUR 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	1,290,984,362	1,290,984,362	-	-
Amounts due to companies on reinsurance contracts	34,011,891	34,011,891	-	-
Other accounts payable	6,170,724	6,170,724	-	-

Maturity of Technical liabilities under insurance contracts have been included in Note 6 - 9.

The company is performing a currency-wise asset and liability management exercise every quarter and any decision on conversion of currencies is taken in ALCO (Asset Liability Committee).

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 excluding equities; 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 Sirius International Insurance Corporation which has been rated A (excellent) by A.M.Best and A- (Strong) by S&P Ratings.

From April 2017, Sirius International Insurance Corporation arranged a 70% whole account quota share treaty whereby 70% of the claims incurred are recovered from Sirius International Insurance

Corporation. 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 and not 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	909,050,084	810,611,482	17,640,334	27,751,062	6,548,180	46,499,026

Analysis of the credit quality of the company's assets

	AAA R	AA R	A R	BBB and lower R	Not Rated R	Total R
2018						
Technical assets under insurance contracts	-	-	1,449,141,057	-	197,309,326	1,646,450,383
Investments						
Government securities	-	-	-	17,967,667	-	17,967,667
Negotiable Certificate of Deposit	-	213,060,682	-	143,427,439	-	356,488,121
Fixed Deposits	-	-	10,251,853	501,159,385	-	511,411,238
Accounts receivable	3,257,836	-	373,947,937	427,752,747	107,590,884	912,549,404*
Cash and cash equivalents	-	26,734,039	13,242,465	90,573,133	-	130,549,637
	3,257,836	239,794,721	1,846,583,312	1,180,880,371	304,900,210	3,575,416,450
2017						
Technical assets under insurance contracts	-	-	696,694,009	-	79,739,841	776,433,850
Investments						
Government securities	-	-	-	10,997,343	-	10,997,343

	AAA R	AA R	BBB and A R	Not lower R	Total Rated R	R
Negotiable Certificate of Deposit	-	48,296,384	-	110,958,220	-	159,254,604
Fixed Deposits	-	-	-	317,680,722	-	317,680,722
Accounts receivable	1,451,631	309,258	68,924,636	202,252,308	72,573,699	345,511,531*
Cash and cash equivalents		425,690	-	77,247,554	-	77,673,244
	1,451,631	49,031,332	765,618,645	719,136,146	152,313,540	1,687,551,294

The company's maximum exposure to credit risk is analysed in the tables 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 R5.08 million (2017 : R1.91 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

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.

2018	Level 1	Level 2	Level 3	Total
Financial assets designated at fair value through profit or loss	122,265,036	349,632,869	-	471,897,905
	122,265,036	349,632,869	-	471,897,905

2017	Level 1	Level 2	Level 3	Total
Financial assets designated at fair value through profit or loss	31,173,333	31,109,717	-	62,283,050
	31,173,333	31,109,717	-	62,283,050

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 for IFRS purposes 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 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 2017.

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.

	2018 R	2017 R
10% worse than expected claims experience	-	(707,000)
10% higher expenses	-	(1,076,000)
1% lower investment margins	-	(303,000)
2.5% decrease in lapses	-	146,000

Each scenario was considered in isolation. In 2018, the entire life business was recaptured so there are no policyholder liabilities remaining.

5 Equipment

Particulars	31 March 2018 R	31 March 2017 R
At cost		
Equipment	1,646,630	1,267,005
Furniture	749,463	674,164
Motor vehicles	1,602,689	894,325
	3,998,782	2,835,494
Accumulated depreciation		
Equipment	1,076,678	781,045
Furniture	426,172	345,656
Motor vehicles	665,679	465,308
	2,168,529	1,592,009
Net book value		
Equipment	569,952	485,960
Furniture	323,291	328,508
Motor vehicles	937,010	429,017
	1,830,253	1,243,485

Particulars	31 March 2018 R	31 March 2017 R
Equipment		
Net book value at beginning of year	485,960	652,040
Additions	464,225	152,646
Disposals	(24,999)	(8,567)
Depreciation	(355,234)	(310,159)
Net book value at end of year	569,952	485,960
Furniture		
Net book value at beginning of year	328,508	265,035
Additions	93,402	141,108
Disposals	(4,031)	(7,767)
Depreciation	(94,588)	(69,868)
Net book value at end of year	323,291	328,508
Motor vehicles		
Net book value at beginning of year	429,017	607,882
Additions	902,789	-
Disposals	(74,530)	-
Depreciation	(320,266)	(178,865)
Net book value at end of year	937,010	429,017
Total		
Net book value at beginning of year	1,243,485	1,524,957
Additions	1,460,416	293,754
Disposals	(103,560)	(16,334)
Depreciation	(770,088)	(558,892)
Net book value at end of year	1,830,253	1,243,485

6 Provision for outstanding claims

	31 March 2018			31 March 2017		
	Non-Life R	Life R	Total R	Non-Life R	Life R	Total R
Balance at beginning of the period	72,554,976	3,750	72,558,726	32,803,692	1,858,693	34,662,385
Gross	478,383,281	5,000	478,388,281	234,363,318	3,200,496	237,563,814
Retroceded	(405,828,305)	(1,250)	(405,829,555)	(201,559,626)	(1,341,803)	(202,901,429)
Amounts transferred (to)/from profit or loss	89,775,109	(3,750)	89,771,359	39,751,284	(1,854,943)	37,896,341
Gross	505,203,145	(5,000)	505,198,145	244,019,963	(3,195,496)	240,824,467
Retroceded	(415,428,036)	1,250	(415,426,786)	(204,268,679)	1,340,553	(202,928,126)
Balance at end of the period	162,330,085	-	162,330,085	72,554,976	3,750	72,558,726
Gross	983,586,426	-	983,586,426	478,383,281	5,000	478,388,281
Retroceded	(821,256,341)	-	(821,256,341)	(405,828,305)	(1,250)	(405,829,555)
Transportation	5,327,227			1,172,660		
Property	88,336,327			50,593,505		
Engineering	4,297,336			-		
Guarantee	410,512			-		
Liability	974,739			-		
Motor	34,137,210			-		
Miscellaneous	20,778,793			20,788,811		
Accident/Health	8,067,941			-		
	162,330,085			72,554,976		
Estimated maturity profile:						
Gross	983,586,426	-	983,586,426	478,383,281	5,000	478,388,281
Within one year	712,623,566	-	712,623,566	343,093,243	5,000	343,098,243
Thereafter	270,962,860	-	270,962,860	135,290,038	-	135,290,038
Retroceded	(821,256,341)	-	(821,256,341)	(405,828,305)	(1,250)	(405,829,555)
Within one year	(599,517,129)	-	(599,517,129)	(296,254,663)	(1,250)	(296,255,913)
Thereafter	(221,739,212)	-	(221,739,212)	(109,573,642)	-	(109,573,642)
Net	162,330,085	-	162,330,085	72,554,976	3,750	72,558,726
Within one year	113,106,437	-	113,106,437	46,838,580	3,750	46,842,330
Thereafter	49,223,648	-	49,223,648	25,716,396	-	25,716,396

As the company obtains further data on loss run-off, further information will be provided in future periods on claim development.

7 Policyholder liabilities for life insurance contracts

Particulars	31 March 2018 R	31 March 2017 R
Balance at beginning of year	13,835,338	17,898,013
Gross	16,894,528	23,730,776
Retroceded	(3,059,190)	(5,832,763)
Amounts transferred (to)/from profit and loss	13,835,338	4,062,675
Gross	16,894,528	6,836,248
Retroceded	(3,059,190)	(2,773,573)
Balance at end of year	-	13,835,338
Gross	-	16,894,528
Retroceded	-	(3,059,190)
Estimated maturity profile:		
Gross	-	16,894,528
Within one year	-	11,967,288
Thereafter	-	4,927,240
Retroceded	-	(3,059,190)
Within one year	-	(2,478,177)
Thereafter	-	(581,013)
Net	-	13,835,338
Within one year	-	9,489,111
Thereafter	-	4,346,227

8 Unearned premium reserve

Particulars	31 March 2018 R	31 March 2017 R
Balance at beginning of year	44,359,644	18,085,013
Gross	332,164,908	183,409,426
Retroceded	(287,805,264)	(165,324,413)
Amounts transferred through profit and loss	163,713,328	26,274,630
Gross	503,792,782	148,755,482
Retroceded	(340,079,454)	(122,480,852)
Balance at end of year	208,072,972	44,359,644
Gross	835,957,690	332,164,908
Retroceded	(627,884,718)	(287,805,264)

9 Deferred acquisition costs

Particulars	31 March 2018 R	31 March 2017 R
Balance at beginning of year	3,611,205	(2,876,116)
Gross	79,739,841	43,861,313
Retroceded	(76,128,636)	(46,737,429)
Amounts transferred through profit and loss	17,044,779	6,487,321
Gross	117,569,483	35,878,528
Retroceded	(100,524,704)	(29,391,207)
Balance at end of year	20,655,984	3,611,205
Gross	197,309,324	79,739,841
Retroceded	(176,653,340)	(76,128,636)

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 2018		31 March 2017	
	R Cost	R Carrying Value	R Cost	R Carrying Value
Negotiable certificates of deposits	351,000,000	356,488,121	156,000,000	159,254,604
Treasury bills	14,887,018	14,887,018	-	-
Fixed deposits	501,365,028	511,411,238	316,297,698	317,680,722
Ordinary shares - listed	88,837,213	89,098,766	14,377,142	16,344,255
Collective investment schemes - listed	347,556,413	349,632,869	30,781,583	31,109,717
Preference shares - listed	15,793,596	15,198,604	3,461,018	3,831,735
Government bonds - listed	2,877,241	3,080,649	10,895,395	10,997,343
Total investments at fair value through profit or loss	1,322,316,509	1,339,797,265	531,812,836	539,218,376

Listed ordinary shares portfolio analysis

	% 2018	% 2017
Basic materials	21	37
Consumer services	18	12
Financials	56	36
Industrials	5	15
	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
2018				
Negotiable certificates of deposits	356,488,121	-	-	356,488,121
Treasury bills	14,887,018	-	-	14,887,018
Fixed deposits	440,878,433	70,532,805	-	511,411,238
Government bonds	-	3,080,648	-	3,080,648
2017				
Negotiable certificates of deposits	159,254,604	-	-	159,254,604
Treasury bills	-	-	-	-
Fixed Deposits	317,680,722	-	-	317,680,722
Government bonds	5,144,413	3,020,884	2,832,046	10,997,343

The weighted average interest rate of these securities for 2018 is 5.98% (2017: 4.57%).

Presented below are the effective interest rates of the company's interest bearing investments:

	31 March 2018	31 March 2017
Negotiable certificates of deposits	7.86%	8.26%
Treasury bills	7.30%	-
Fixed deposits*	4.66%	2.66%
Government bonds	6.75%	8.42%

* Interest rate for fixed deposits is low because 66% of the fixed deposits are held in foreign currencies.

11 Deferred taxation

	Non-Life R	Life R	Total R
31 March 2018			
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	-	(249,729)	(249,729)
Provisions	138,711	-	138,711
S24 j interest adjustment	309,317	8,224	317,541
Calculated tax loss	4,977,182	241,505	5,218,687
	5,425,210	-	5,425,210
31 March 2017			
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	-	160,872	160,872
Provisions	102,871	-	102,871
S24 j interest adjustment	(213,582)	(4,964)	(218,546)
Calculated tax loss	5,535,921	390,077	5,925,998
	5,425,210	545,985	5,971,195

12 Other accounts payable

Particulars	31 March 2018 R	31 March 2017 R
Accrual for leave pay	495,397	367,398
Other	5,675,327	72,087
	6,170,724	439,485

13 Share capital

Particulars	31 March 2018 R	31 March 2017 R
Authorised		
1 500 000 000 ordinary shares of no par value		
Issued		
<u>At beginning of the year</u>		
126 950 000 ordinary shares of no par value	253,900,000	111,500,000
<u>Issued during the year</u>		
294 906 675 ordinary shares of no par value	589,813,350	142,400,000
<u>At end of the year</u>		
421 856 675 ordinary shares of no par value	843,713,350	253,900,000

The unissued shares are under the control of the directors.

14 Revaluation reserve

Particulars	31 March 2018 R	31 March 2017 R
Investments	141,956	1,733,310
	141,956	1,733,310

The revaluation reserve represents the revaluation of traded securities which is net of deferred tax.

15 Net investment income

	Non-Life R	Life R	Total R
31 March 2018			
Dividends received - listed	1,138,913	140,124	1,279,037
Interest income	41,084,034	2,028,799	43,112,833
Realised gain/ (loss) on disposal of investments	2,423,901	(30,603)	2,393,298
Net movement in unrealised gains and losses on revaluation and disposal of investments	(2,544,031)	333,817	(2,210,214)
	42,102,817	2,472,137	44,574,954
31 March 2017			
Dividends received - listed	457,833	116,832	574,665
Interest received	16,339,966	2,500,493	18,840,459
Realised gain/ (loss) on disposal of investments	(28,779)	2,797,905	2,769,126
Net movement in unrealised gains and losses on revaluation and disposal of investments	2,325,086	(2,230,024)	95,062
	19,094,106	3,185,206	22,279,312

16 Claims incurred

	Non-Life R	Life R	Total R
31 March 2018			
Claims paid	(130,623,437)	(46,229)	(130,669,666)
Gross	(740,056,477)	(61,639)	(740,118,116)
Retroceded	609,433,040	15,410	609,448,450
Change in provision for outstanding claims	(89,775,110)	3,750	(89,771,360)
Gross	(505,203,146)	5,000	(505,198,146)
Retroceded	415,428,036	(1,250)	415,426,786

	Non-Life R	Life R	Total R
Claims incurred	(220,398,547)	(42,479)	(220,441,026)
31 March 2017			
Claims paid	(25,553,534)	(10,895,183)	(36,448,717)
Gross	(205,810,787)	(15,523,437)	(221,334,224)
Retroceded	180,257,253	4,628,254	184,885,507
Change in provision for outstanding claims	(39,751,284)	1,854,943	(37,896,341)
Gross	(244,019,962)	3,195,496	(240,824,466)
Retroceded	204,268,678	(1,340,553)	202,928,125
Claims incurred	(65,304,817)	(9,040,240)	(74,345,058)

17 Commission

Particulars	31 March 2018 R	31 March 2017 R
Commission expense		
Gross commission and brokerage paid	(412,176,317)	(162,545,578)
Gross deferred acquisition cost	117,569,484	35,878,528
	(294,606,833)	(126,667,050)
Commission income		
Retrocession commission and brokerage received	366,734,485	166,789,982
Retroceded deferred commission revenue	(100,524,705)	(29,391,207)
	266,209,780	137,398,775

18 Profit before taxation

Particulars	31 March 2018 R	31 March 2017 R
Profit before taxation is stated after charging:		
Employee costs - salaries and bonuses	8,069,659	8,268,998
External auditor's remuneration		
– audit services	897,324	526,150
– non-audit services	15,000	-
	912,324	526,150
Consulting fees paid	2,489,529	2,896,309
Depreciation of equipment	770,088	558,892
Operating lease expense	2,436,811	1,259,028

19 Taxation

	Non-Life R	Life R	Total R
31 March 2018			
South African normal tax			
Current taxation			
– current year	-	(545,985)	(545,985)
– utilization of tax credit	-	545,985	545,985
Deferred taxation			
– current year	-	545,985	545,985
	-	545,985	545,985
Tax rate reconciliation:	%	%	
Standard tax rate	28	28	
Dividends received	-	-	
Return transfers previously not recognised and other four funds tax losses	-	(18)	

	Non-Life R	Life R	Total R
Calculated tax loss for which no deferred tax asset is raised	(27)	(2)	
Other	(1)	(1)	
Effective tax rate	0	7	
31 March 2017			
South African normal tax			
Current taxation			
– current year	-	-	-
Deferred taxation			
– current year	-	-	-
	-	-	-
Tax rate reconciliation:	%	%	
Standard tax rate	28	28	
Dividends received	1	-	
Return transfers previously not recognised and other four funds tax losses	-	(6)	
Calculated tax loss for which no deferred tax asset is raised	(32)	(36)	
Other	3	14	
Effective tax rate	0	0	

The policyholder funds relating to life insurance contracts have cumulative 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 (2017: R5,4 million). Assessed losses of R 114.8 million (2017: R35.7 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 (GIC Re 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	2018 R	2017 R
Directors emoluments are set out below:		
- Salaries and bonuses		
D Prasad Managing director	1,948,542	1,802,967
	1,948,542	1,802,967
- Fees		
S Bhikha Non-executive director	360,000	280,000
CI Moosa Non-executive director	255,000	160,000
J Bagg Non-executive director	370,000	300,000
	985,000	740,000

Other non-executive directors of GIC Re South Africa Ltd are appointed by GIC Re India (parent company) and 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	-	1,032,739#
S Karmarkar Chief Operating Officer	710,971	766,548
SK Jangir Chief Finance Officer, Manager – HR	508,222	559,940
Z Ahmad Chief Underwriting Officer	509,041	531,226
SKR Chintapalli Chief Technology Officer	497,141	506,037
F Mosam Chief Technical Accounts Officer	313,500	107,344*
W Mwase Public Officer, Company Secretary, Manager - Admin	310,500	44,230**
	2,849,375	3,548,064

Apart from above, R1,23 million (2017 : R1,13 million) was paid as rent for accommodation provided to executive officers.

Resigned on 31 December 2016

* From December 2016 to March 2017

** From February 2017 to March 2017

20.3 Other related party transactions

The following transactions were entered with the current holding company:

	2018 R	2017 R
Statement of comprehensive income effects :		
Retroceded premiums to holding company	499,136,610	590,016,049
Retroceded claims from holding company	(512,458,497)	(350,593,132)
Retroceded commission from holding company	(152,513,943)	(166,281,972)
Interest paid on Reserve Deposits	(9,100,552)	(3,563,467)
Statement of financial position effects :		
Retroceded outstanding claims	490,038,499	405,828,304
Retroceded unearned premium provision	230,614,562	287,805,264
Retroceded deferred acquisition cost	(75,382,295)	(76,128,636)
Retroceded reserve deposit	653,274,462	585,478,632
Retroceded receivables	-	6,462,917

21 Commitments and contingencies

Particulars	2018 R	2017 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	1,196,751	1,097,937
One to five years	1,304,459	2,501,209
	2,501,210	3,599,146

The operating lease expires on 31 March 2020.

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. Company has recaptured the entire Life Run-off business in FY 2017-18.

Dividends

No dividends were paid during the year (2017 : Nil)

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2017, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

IFRS 9 Financial instruments - periods beginning on or after 1 January 2018

On 24 July 2014, 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 debts recognised in the Company.

IFRS 17 Insurance Contracts - Effective for the financial year commencing 1 January 2021

The standard supersedes IFRS 4 Insurance Contracts.

IFRS 17 addresses the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts held and investment contracts with discretionary participation features. The standard contains guidance on when to separate components in an insurance contract and account for them in terms of another standard. The components that have to be separated (subject to certain criteria) are embedded derivatives, distinct investment components and distinct goods and non-insurance services. The standard requires an entity to identify portfolios of insurance contracts and to group them into the following groups at initial recognition:

- Contracts that are onerous
- Contracts that have no significant possibility of becoming onerous subsequently and
- The remaining contracts in the portfolio.

Groups of insurance contracts should be measured at initial recognition at the total of the following:

- The fulfilment cash flows which comprise estimates of future cash flows, an adjustment to reflect the

time value of money and the financial risks and a risk adjustment for non-financial risk and

- The contractual service margin which represents the profit in the group of insurance contracts that will be recognised in future periods.

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of:

- the liability for remaining coverage (fulfilment cash flows related to future service and the contractual service margin) and
- the liability for incurred claims (fulfilment cash flows related to past service).

An entity may simplify the measurement of a group of insurance contracts using the premium allocation approach if certain criteria is met.

The new standard will have a significant impact on the financial statements when it is initially applied which will include changes to the measurement of insurance contracts issued and the presentation and disclosure.

The standard is effective for annual periods beginning on or after 1 January 2021 and has to be applied retrospectively. Early adoption is permitted. The company is expecting to adopt IFRS 17 in its financial statements for the year ending 31 December 2021.

24 Revenue account split between non-life and life reinsurance contracts

Note	Total		Non-life		Life	
	31 March 2018 R	31 March 2017 R	31 March 2018 R	31 March 2017 R	31 March 2018 R	31 March 2017 R
Gross premiums written	1,641,253,719	688,644,606	1,649,181,344	681,056,377	(7,927,625)	7,588,229
Retroceded premiums	(1,267,664,011)	(592,848,686)	(1,269,884,198)	(590,016,049)	2,220,187	(2,832,637)
Gross UPR movement	(503,792,782)	(148,755,482)	(503,792,782)	(148,755,482)	-	-
Retro UPR movement	340,079,454	122,480,852	340,079,454	122,480,852	-	-
Net premiums written and earned	209,876,380	69,521,290	215,583,818	64,765,698	(5,707,438)	4,755,592
Claims incurred	(220,441,026)	(74,345,058)	(220,398,547)	(65,304,818)	(42,479)	(9,040,240)
Claims paid	16 (130,669,666)	(36,448,717)	(130,623,437)	(25,553,534)	(46,229)	(10,895,183)
Gross	(740,118,116)	(221,334,224)	(740,056,477)	(205,810,787)	(61,639)	(15,523,437)
Retroceded	609,448,450	184,885,507	609,433,040	180,257,253	15,410	4,628,254
Change in provision for outstanding claims	6 (89,771,360)	(37,896,341)	(89,775,110)	(39,751,284)	3,750	1,854,943
Gross	(505,198,146)	(240,824,466)	(505,203,146)	(244,019,962)	5,000	3,195,496
Retroceded	415,426,786	202,928,125	415,428,036	204,268,678	(1,250)	(1,340,553)
Net commission	(28,397,053)	10,731,725	(28,514,414)	10,366,851	117,361	364,874

Note		Total		Non-life		Life	
		31 March 2018 R	31 March 2017 R	31 March 2018 R	31 March 2017 R	31 March 2018 R	31 March 2017 R
Commissions (paid)/received		(45,441,832)	4,244,404	(45,559,193)	3,879,530	117,361	364,874
Gross		(412,176,317)	(162,545,578)	(412,130,745)	(162,402,442)	(45,572)	(143,136)
Retroceded		366,734,485	166,789,982	366,571,552	166,281,972	162,933	508,010
Net change in deferred acquisition cost	9	17,044,779	6,487,321	17,044,779	6,487,321	-	-
Gross		117,569,484	35,878,528	117,569,484	35,878,528	-	-
Retroceded		(100,524,705)	(29,391,207)	(100,524,705)	(29,391,207)	-	-
Change in provision for policyholder liabilities	7	13,835,338	4,062,675	-	-	13,835,338	4,062,675
Gross		16,894,528	6,836,248	-	-	16,894,528	6,836,248
Retroceded		(3,059,190)	(2,773,573)	-	-	(3,059,190)	(2,773,573)
Underwriting result		(25,126,361)	9,970,632	(33,329,143)	9,827,731	8,202,782	142,901
Gross		(385,567,630)	(42,100,368)	(394,432,322)	(44,053,768)	8,864,692	1,953,400
Retroceded		360,441,269	52,071,000	361,103,179	53,881,499	(661,910)	(1,810,499)
Management expenses		(25,991,898)	(23,717,580)	(23,948,387)	(20,154,036)	(2,043,511)	(3,563,544)
Net income/(loss) before other income and expenses		(51,118,259)	(13,746,948)	(57,277,530)	(10,326,305)	6,159,271	(3,420,643)
Net investment income	*	41,540,531	20,473,670	39,340,093	17,607,363	2,200,438	2,866,307
Interest paid on retrocession deposits		(9,953,112)	(3,563,467)	(9,953,112)	(3,563,467)	-	-
Increase in provision for doubtful debts		(3,168,950)	(820,639)	(3,168,950)	(820,639)	-	-
Foreign exchange gain/(loss)		(53,175,431)	(28,881,344)	(53,175,431)	(28,881,344)	-	-
Profit (Loss) before taxation	18	(75,875,221)	(26,538,728)	(84,234,930)	(25,984,392)	8,359,709	(554,336)
Taxation	19	(545,985)	-	-	-	(545,985)	-
Profit (Loss) after taxation		(76,421,206)	(26,538,728)	(84,234,930)	(25,984,392)	7,813,724	(554,336)

*Net of investment management fees

25 Notes to the statement of cash flows

25.1 Cash utilised by operations

Particulars	31 March 2018 R	31 March 2017 R
Loss before taxation	(75,875,221)	(26,538,728)
Adjustments for:		
– depreciation of equipment	770,088	558,892
– realised gain on disposal of investments	(2,393,298)	(2,769,126)
– interest income	(43,112,833)	(18,840,459)
– dividends received	(1,279,037)	(574,665)
– interest paid	9,953,112	3,563,617
– increase in net provision for unearned premium	163,713,328	26,274,630
– increase in net deferred acquisition costs	(17,044,779)	(6,487,321)
– increase in net provision for outstanding claims	89,771,359	37,896,341
– decrease in net policyholder liabilities for life insurance contracts	(13,835,338)	(4,062,675)
– unrealised gain on revaluation of investments	2,210,214	(95,062)
Cash generated by operations before working capital changes	112,877,595	8,925,444
Increase in amounts receivable from insurance companies	(565,429,850)	(143,151,078)
Increase in other accounts receivable	(1,608,021)	(1,589,124)
Increase in amounts payable to insurance companies	7,233,052	18,316,856
Increase/(decrease) in other accounts payable	5,731,239	(94,946)
Increase in deposits withheld from retrocessionaires	671,572,931	243,700,410
	230,376,946	126,107,562

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	43,320,138	7,028,731
Cash at bank	87,223,637	70,632,967
Cash on hand	5,862	11,546
	130,549,637	77,673,244

Categorisation of Assets and Liabilities

26. Categorisation of assets and liabilities

	Note	Total	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	Other non - financial assets and liabilities	Current assets and liabilities	Non-current assets and liabilities
2018		R	R	R	R	R	R	R
ASSETS								
Equipment	5	1,830,253	-	-	-	1,830,253	-	1,830,253
Technical assets under insurance contracts		1,646,450,383	-	-	-	1,646,450,383	1,424,711,171	221,739,212
Retroceded outstanding claims	6	821,256,341	-	-	-	821,256,341	599,517,129	221,739,212
Retroceded unearned premium reserve	8	627,884,718	-	-	-	627,884,718	627,884,718	-
Gross deferred acquisition costs	9	197,309,324	-	-	-	197,309,324	197,309,324	-
Retroceded policyholder liabilities	7	-	-	-	-	-	-	-
Investments	10	1,339,797,265	471,897,906	867,899,359	-	-	1,266,183,811	73,613,454
Government securities		3,080,649	3,080,649	-	-	-	-	3,080,649
Fixed deposits		511,411,238	-	511,411,238	-	-	440,878,433	70,532,805
Negotiable certificates of deposits		356,488,121	-	356,488,121	-	-	356,488,121	-
Treasury bills		14,887,018	14,887,018	-	-	-	14,887,018	-
Listed ordinary shares		89,098,766	89,098,766	-	-	-	89,098,766	-
Listed preference shares		15,198,604	15,198,604	-	-	-	15,198,604	-
Listed collective investment schemes		349,632,869	349,632,869	-	-	-	349,632,869	-
Deferred tax	11	5,425,210	-	-	-	5,425,210	-	5,425,210
Amounts receivable from insurance companies		909,050,084	-	909,050,084	-	-	903,969,874	5,080,210
Other accounts receivable		3,499,320	-	3,499,320	-	-	3,499,320	-
Cash on call and on deposit		43,320,138	-	43,320,138	-	-	43,320,138	-
Cash at bank and on hand		87,229,499	-	87,229,499	-	-	87,229,499	-
Total assets		4,036,602,152	471,897,906	1,910,998,400	-	1,653,705,846	3,728,913,813	307,688,339
LIABILITIES								
Technical liabilities under insurance contracts		1,996,197,456	-	-	-	1,996,197,456	1,725,234,596	270,962,860
Gross outstanding claims	6	983,586,426	-	-	-	983,586,426	712,623,566	270,962,860
Gross unearned premium reserve	8	835,957,690	-	-	-	835,957,690	835,957,690	-
Retroceded deferred acquisition cost	9	176,653,340	-	-	-	176,653,340	176,653,340	-
Gross policyholder liabilities	7	-	-	-	-	-	-	-
Deposits with held from retrocessionaires		1,290,984,362	-	-	-	1,290,984,362	1,290,984,362	-
Amounts payable to insurance companies		34,011,891	-	-	-	34,011,891	34,011,891	-
Other accounts payable	12	6,170,724	-	-	-	5,675,327	6,170,724	-
Total liabilities		3,327,364,433	-	-	-	1,996,692,853	3,056,401,573	270,962,860

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
2017		R	R	R	R	R	R	R	R
ASSETS									
Equipment	5	1,243,485	-	-	-	-	1,243,485	-	1,243,485
Technical assets under insurance contracts									
Retrocaded outstanding claims	6	776,433,850	-	-	-	-	776,433,850	666,279,195	110,154,655
Retrocaded unearned premium reserve	8	405,829,555	-	-	-	-	405,829,555	296,255,913	109,573,642
Gross deferred acquisition costs	9	287,805,264	-	-	-	-	287,805,264	287,805,264	-
Retrocaded policyholder liabilities	7	79,739,841	-	-	-	-	79,739,841	79,739,841	-
		3,059,190	-	-	-	-	3,059,190	2,478,177	581,013
Investments									
Government securities	10	539,218,376	62,283,050	476,935,326	-	-	-	528,221,033	10,997,343
Fixed deposits		10,997,343	10,997,343	-	-	-	-	-	10,997,343
Negotiable certificates of deposits		317,680,722	-	317,680,722	-	-	-	317,680,722	-
Treasury bills		159,254,604	-	159,254,604	-	-	-	159,254,604	-
Listed ordinary shares		-	-	-	-	-	-	-	-
Listed preference shares		16,344,255	16,344,255	-	-	-	-	16,344,255	-
Listed collective investment schemes		3,831,735	3,831,735	-	-	-	-	3,831,735	-
		31,109,717	31,109,717	-	-	-	-	31,109,717	-
Deferred tax									
Amounts receivable from insurance companies	11	5,971,195	-	-	-	-	5,971,195	-	5,971,195
Other accounts receivable		343,620,234	-	343,620,234	-	-	-	342,509,193	1,111,041
Cash on call and on deposit		1,891,299	-	1,891,299	-	-	-	1,891,299	-
Cash at bank and on hand		7,028,731	-	7,028,731	-	-	-	7,028,731	-
		70,644,513	-	70,644,513	-	-	-	70,644,513	-
Total assets		1,746,051,683	62,283,050	900,120,103	-	-	783,648,530	1,616,573,964	129,477,719
LIABILITIES									
Technical liabilities under insurance contracts									
Gross outstanding claims	6	903,576,353	-	-	-	-	903,576,353	763,359,075	140,217,278
Gross unearned premium reserve	8	478,388,281	-	-	-	-	478,388,281	343,098,243	135,290,038
Retrocaded deferred acquisition cost	9	332,164,908	-	-	-	-	332,164,908	332,164,908	-
Gross policyholder liabilities	7	76,128,636	-	-	-	-	76,128,636	76,128,636	-
Deposits with held from retrocessionaires		16,894,528	-	-	-	-	16,894,528	11,967,288	4,927,240
Amounts payable to insurance companies		619,411,431	-	-	-	-	619,411,431	619,411,431	-
Other accounts payable	12	26,778,839	-	-	-	-	26,778,839	26,778,839	-
		439,485	-	-	-	-	72,087	439,485	-
Total liabilities		1,550,206,108	-	-	-	-	903,943,751	1,409,988,830	140,217,278

GIC RE, INDIA, CORPORATE MEMBER LIMITED

**Annual Report and Accounts
31 December 2017**

Registered number: 07792458

GIC RE, INDIA, CORPORATE MEMBER LIMITED

Table of Contents

Directors and Administration	291
Strategic Report	292
Directors' Report	295
Statement of Directors' Responsibilities	296
Independent Auditor's Report	297
Annual Accounts:	
Profit and Loss Account	299
Balance Sheet	300
Statement of Changes in Equity	302
Statement of Cash Flows	303
Notes to the Annual Accounts	304

GIC RE, INDIA, CORPORATE MEMBER LIMITED

Directors and Administration

Directors

Alice Geevarghese Vaidyan
Devesh Srivastava
Radhakrishna Ganti (appointed 14 September 2017)
Balaji Thiagarajan(resigned 15 September 2017)

Secretary

Callidus Solutions Limited
54 Fenchurch Street
London
EC3M 3JY

Registered Office

Suite 835 at Lloyd's
One Lime Street
London
EC3M 7DQ

Registered Number

07792458

Auditors

PKF Littlejohn LLP
1 Westferry Circus
Canary Wharf
London
E14 4HD

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 Directors submit their Strategic Report for GIC Re, India, Corporate Member Limited (the Company) for the year ended 31 December 2017.

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, Syndicate 6119, Syndicate 6126, Syndicate 2014, Syndicate 1492 and Syndicate 1884 ('the Syndicates'). The table below summarises the Company's insurance capacity on the Syndicates by underwriting year.

	Syndicate 6118 £000			Syndicate 6119 £000		Syndicate 6126 £000	
Year of Account	2015	2016	2017	2015	2016	2016	2017
Company insurance capacity	5,000	5,000	8,086	13,473	14,906	4,000	5,250
Total Syndicate insurance capacity	48,100	89,850	89,705	13,473	14,906	40,000	60,000
Percent of total	10.4%	5.6%	9.0%	100%	100%	10%	8.8%

	Syndicate 2014 £000		Syndicate 1492 £000	Syndicate 1884 £000
Year of Account	2016	2017	2017	2017
Company insurance capacity	8,000	8,923	7,500	5,000
Total Syndicate insurance capacity	130,000	137,300	90,466	105,000
Percent of total	6.2%	6.5%	8.3%	4.8%

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.

Syndicate 6126 was established in the 2016 year of account as a 'Special Purpose Syndicate' to underwrite 90% quota share of Syndicate 1897's property classes.

Syndicate 2014 was previously a 'Special Purpose Syndicate' and became the first SPS in Lloyd's history to convert to a standalone Syndicate in 2014.

Syndicate 1492 was established in the 2015 year of account specialising in property, construction and casualty insurance and reinsurance solutions.

Syndicate 1884 was established in the 2015 year of account and provides a broad range of insurance covers to its clients and others in the wider marine and energy market.

General Insurance Corporation of India ('the Parent Reinsurer')

proportionately reinsures 100% of all of the Company's underwriting business from the Syndicates.

Business Review

Key Financial Performance Indicators

In the opinion of the Directors, 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.

	2017 Syndicate Results £000	2017 Quota Share £000	2017 Technical Account £000
Gross written premiums	41,450	(41,450)	-
Outward reinsurance premiums	(11,716)	11,716	-
Loss for the financial year	(8,954)	8,707	(247)
Loss on capacity	25.76%		

Non-financial Key Performance Indicators

Due to the nature of the Company's operations as a Lloyd's corporate member, the Syndicates carry out the majority of the Company's activities. The Company is not directly involved in the management of each Syndicate's activities, including the employment of staff. The Syndicate Managing Agents are responsible for the management of their Syndicates. The Managing Agents also have responsibility for the environmental activities of the Syndicates, though by their nature, insurers generally do not produce significant environmental emissions. Therefore, the Directors do 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 each Syndicate to 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 Parent Reinsurer reimburses the Company for member administrative expenses (including audit and accounting fees and other expenses) up to a limit of £350,000.

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 Syndicates. The Company's role in managing these risks is limited to monitoring Syndicate performance. This starts in advance of committing support to each Syndicate for the following underwriting year, with a review of each Syndicate business plan as prepared by the Syndicate's Managing Agent. During the year, the Directors monitor and, if necessary, enquire into Syndicate quarterly reports and annual accounts together with any other information made available by the Managing Agents. If the Directors deem a particular risk in a Syndicate to be excessive, they will seek confirmation from the relevant 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 they are not satisfied with the Managing Agent's response.

The Annual Reports of the Directors of the Managing Agents on the audited annual accounts for each Syndicate detail the significant risks and uncertainties facing the Syndicates. The Managing Agents manage these risks together with the Syndicate service providers.

Since the Company proportionately reinsures all of its underwriting business from the Syndicates to the Parent Reinsurer, the risks it faces from its participation on the Syndicates are significantly reduced. The Company, however, faces the risk that the Parent Reinsurer will not meet its reinsurance obligations, though the Directors consider this risk remote, since the Parent Reinsurer provided a £24.2

million letter of credit to Lloyd's (Funds at Lloyd's) to collateralise its reinsurance obligations to the Company and deposited an additional £8.7 million during the year.

Operational Risk

Since the Company only undertakes in a few transactions of its own, it has limited systems and staffing requirements. Therefore, the Directors do not consider the Company's operational risks to be significant. Close involvement of the Directors in the Company's key decision making and the fact that the Syndicates conduct 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 Sterling. The most significant currencies to which the syndicate is exposed are US Dollar, Canadian Dollar and the Euro. Where possible, the Syndicates seek 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 and a payment to a broker made directly by the Corporate Member.

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 Syndicates have 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 is supported by the letter of credit and the funds provided by the Parent Reinsurer at Fund's at Lloyd's.

Since the Company did not undertake many transactions of its own, the Directors do 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 Syndicates. The Company reduces 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 set by Lloyd's. Lloyd's takes a variety of factors into account when setting these requirements including market conditions and Syndicate performance. 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 going forward.

Future Developments

The Company will be participating on the following Syndicates for the 2018 Year of Account:

- Syndicate 6118 - managed by Barbican Managing Agency Limited.
- Syndicate 6133 – managed by Apollo Syndicate Management Ltd.
- Syndicate 1947- managed by Pembroke Managing Agency Limited.
- Syndicate 2014 - managed by Pembroke Managing Agency Limited.
- Syndicate 1492 - managed by Capita Managing Agency.
- Syndicate 1884 - managed by Charles Taylor Managing Agency.

Approved by the Board on 17.5.2018
And signed on its behalf by

Radhakrishna Ganti
Director

Suite 835 at Lloyd's
One Lime Street
London
EC3M 7DQ

Director's Report

Registered Number: 07792458

Director's Report

31 December 2017

The Directors present their report below, together with the audited accounts for GIC Re, India, Corporate Member Limited, for the year ended 31 December 2017 on pages 12 to 39.

Results

The Company underwrites on the Syndicates as outlined on page 2 of the Strategic report.

Loss for the year ended 31 December 2017 was £22,000 (2016: Loss of £33,000).

Dividend

The Directors do not recommend the payment of a dividend (2016: Nil).

Going Concern

On the basis of their assessment of the Company's financial position and after making appropriate enquiries, the Directors reasonably expect 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.

Alice Geevarghese Vaidyan

Devesh Srivastava

Radhakrishna Ganti (appointed 14 September 2017)

Directors and Officers Liability Insurance

The Directors are covered against liabilities arising in relation to the Company through the global Directors and Officers policy in place by the Parent Reinsurer. This is limited to 500,000,000 Indian Rupees (£5,915,516).

Donations

The Company made no political or charitable donations during the period.

Disclosure of Information to Auditors

The Directors who held office at the approval date of this report confirm to the best of their knowledge, that there is no relevant audit information of which the Company's auditors are unaware, and they took all actions necessary as a Directors 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 PKF Littlejohn will therefore continue in office.

On behalf of the Board

Radhakrishna Ganti
Director

17.5.2018

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 2017**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors 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 directors 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 Directors are 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 Directors are 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 Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GIC RE, INDIA, CORPORATE MEMBER LIMITED

Opinion

We have audited the Financial Statements of GIC Re, India, Corporate Member Limited (the "Company") for the year ended 31 December 2017 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its result 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard,

and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Directors have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, 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.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Neil Coulson (Senior Statutory Auditor)	1 Westferry Circus
For and on behalf of PKF Littlejohn LLP	Canary Wharf
Statutory Auditor	London
17 May 2018	E14 4HD

Profit and Loss Account Year Ended 31st December 2017

Particulars	Note	2017 £000	2016 £000
Technical Account – General business:			
Earned premiums, net of reinsurance:			
Gross premiums written	6	41,450	33,025
Outward reinsurance premiums		(41,450)	(33,025)
Net premiums written		-	-
Change in the gross provision for unearned premiums	14	(3,113)	(3,834)
Change in the provision for unearned premiums			
reinsurers' share	14	3,113	3,834
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		(10,982)	(1,651)
Reinsurers' share		10,982	1,651
Claims paid, net of reinsurance		-	-
Change in the provision for claims:	14		
Gross amount		(31,576)	(18,417)
Reinsurers' share		31,576	18,417
Change in provision for claims, net of reinsurance		-	-
Claims incurred, net of reinsurance		-	-
Net operating expenses	8, 11	(247)	(53)
Balance on Technical Account- General business		(247)	(53)
All operations relate to continuing activities.			
The notes on pages 18 to 39 form part of these annual accounts.			
Balance on the Technical Account – General business		(247)	(53)
Investment income	7	-	-
Foreign exchange gain	1	-	-
Other income	300	100	
Other charges	(79)	(89)	
(Loss)/profit on ordinary activities before tax	9	(25)	(42)
Tax on profit on ordinary activities 10	3	9	
(Loss)/profit on ordinary activities after tax	(22)	(33)	
Profit/(loss) for the financial year	(22)	(33)	
All operations relate to continuing activities.			

Balance Sheet As 31st December 2017

Particulars	Note	2017 £000	2016 £000
Assets:			
Investments:			
Other financial investments	12	5,869	3,206
Reinsurers' share of technical provisions:	14		
Provision for unearned premiums		15,227	13,375
Claims outstanding		59,515	37,755
		74,742	51,130
Debtors:			
Debtors arising out of direct insurance operations		4,232	399
Debtors arising out of reinsurance operations		41,186	51,265
Other debtors		1,148	631
Funds at Lloyd's	19	8,744	-
		55,310	52,295
Other assets:			
Cash at bank and in hand		984	134
Other		602	240
Deferred tax asset		11	9
		1,597	383
Prepayments and accrued income:			
Deferred acquisition costs	14	3,496	4,034
Other prepayments and accrued income		181	24
		3,677	4,058
Total assets		141,195	111,072

The above assets comprise of the assets of the Syndicates participated upon and the Company's own assets. Note 16 provides an analysis of the Company's own assets.

The notes on pages 304 to 319 form part of these annual accounts.

Particulars	Note	2017 £000	2016 £000
Liabilities:			
Capital and reserves:	13		
Called up share capital		-	-
Profit and loss account		24	46
		24	46
Technical provisions:	14		
Provision for unearned premiums:			
Gross amount		18,723	17,409
Claims outstanding:			
Gross amount		59,515	37,755
		78,238	55,164
Creditors:			
Creditors arising out of direct insurance operations		531	-
Creditors arising out of reinsurance operations		50,309	53,887
Other creditors including taxation	15	11,738	1,783
		59,878	55,670
Accruals and deferred income		355	192
Total liabilities		141,195	111,072

The above liabilities comprise of the liabilities of the Syndicates participated upon and the Company's own liabilities. Note 16 provides an analysis of the Company's own liabilities.

The financial statements on pages 299 to 319 were approved by the Board of GIC Re, India, Corporate Member Limited on 2018 and signed on its behalf by:

Radhakrishna Ganti

Director

17.5.2018

Registered Number: 07792458

Statement of Changes in Equity Year ended 31 December 2017

Particulars	Called up Share Capital £000	Profit and loss account £000	Total equity £000
At 1 January 2016	-	79	79
Loss for the year	-	(33)	(33)
Total comprehensive income for the period		-	(33)
As at 31 December 2016	-	46	46
Loss for the year	-	(22)	(22)
Total comprehensive income for the period		-	(22)
As at 31 December 2017	-	24	24

The notes on pages 304 to 319 form part of these annual accounts.

Statement of Cash Flows

Particulars	Note	2017 £000	2016 £000
Cash flow from operating activities			
(Loss)/profit before taxation		(25)	(42)
Movement in creditors		30,148	58,897
Movement in debtors		(26,448)	(55,405)
Tax paid		-	16
Net cash generated from operating activities		3,675	3,466
Cash flow from investing activities			
Net (outflow)/inflow from purchases and sales of investments	18	(2,825)	(3,446)
Net cash outflow from investing activities		(2,825)	(3,446)
Net increase/(decrease) in cash and cash equivalents		850	20
Cash and cash equivalents at the beginning of the year		134	114
Cash and cash equivalents at the end of the year		984	134

The notes on pages 304 to 319 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 page 2.

These financial statements have been presented in GBP as this is the Company's functional currency, being the primary economic environment in which the Company operates.

(2) Basis of Preparation

The 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. The financial statements have been prepared on the historical cost basis.

The Company's functional currency is GBP.

The Directors, based on their assessment of the Company's financial position and after making appropriate enquiries, reasonably expect 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 Syndicate 6118, Syndicate 6119, Syndicate 6126, Syndicate 2014, Syndicate 1492 and Syndicate 1884 (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 Syndicate underwriting transactions, investment return, and operating expenses in its profit and loss account, and its share of the Syndicate assets and liabilities on its balance sheet. The Directors calculate these shares based on the Company's participation in the Syndicates as a percentage of the each 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 Directors 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 each 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 Syndicate 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 Syndicates. 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 Syndicates 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.

No provision for unexpired risks was recorded in 2016 or 2017.

(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 Agents determine 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 bares 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 Directors consider 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 2016 or 2017.

(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 Directors use the findings of the Syndicate 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 Syndicates' limited history and small population of insured and reinsured claims, the provision for claims outstanding is subject to significant variability. While the Directors believe 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 Directors base 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 Syndicates' 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 Syndicates' 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 Syndicates' 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 Syndicates' 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 Syndicates' 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 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 probable 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 GBP. 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.

(o) Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' 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 Directors in respect of the Company only, and do not include estimates and judgements made in respect of the Syndicates.

The critical judgements that the Directors have 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 Syndicates 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 Directors consider 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

The management and control of each Syndicate 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, including those in respect of financial risk management. The following qualitative risk management disclosures made by the Directors relate to the Corporate activity only. The quantitative disclosures are made in respect of both the Corporate and the Syndicates.

Credit risks

Credit risk is the risk that a counterparty to the Company's financial instruments will cause a loss to the 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 £24.2m letter of credit and funds of £8.7m 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.

	2017 Syndicate participation £000						
	AAA	AA	A	BBB	BBB or lower	Not rated	Total
Shares and other variable yield securities and unit trusts	2	1,369	870	-	-	-	2,241
Debt securities	920	965	1,543	-	-	-	3,428
Deposits with credit institutions	-	-	200	-	-	-	200
Overseas deposits as investments	338	75	70	35	16	68	602
Deposits with ceding undertakings	-	-	-	-	-	-	-
Reinsurers share of claims outstanding	-	1,568	56,004	4	796	1,143	59,515
Reinsurance debtors	-	2	41,184	-	-	-	41,186
Cash at bank and in hand	-	-	984	-	-	-	984
Total	1,260	3,979	100,855	39	812	1,211	108,156

	2016 Syndicate participation £000						
	AAA	AA	A	BBB	BBB or lower	Not rated	Total
Overseas deposits as investments	338	75	70	35	16	68	602
Shares and other variable yield securities and unit trusts	-	1,178	173	-	-	-	1,351
Debt securities	715	1,105	35	-	-	-	1,855
Overseas deposits as investments	-	-	240	-	-	-	240
Deposits with ceding undertakings	-	-	-	-	-	-	-
Reinsurers share of claims outstanding	-	231	37,388	2	6	128	37,755
Reinsurance debtors	-	592	50,673	-	-	-	51,265
Cash at bank and in hand	-	80	54	-	-	-	134
Total	715	3,186	88,563	2	6	128	92,600

The tables below show the ageing and impairment of financial assets by class on instruments.

	2017 Syndicate participation £000						
	Neither due nor 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	2,241	-	-	-	-	-	2,241
Debt securities	3,428	-	-	-	-	-	3,428
Deposits with credit institutions	200	-	-	-	-	-	200
Overseas deposits as investments	602	-	-	-	-	-	602
Reinsurer share of claims outstanding	59,515	-	-	-	-	-	59,515
Reinsurance debtors	41,165	-	8	7	6	-	41,186
Cash at bank and in hand	984	-	-	-	-	-	984
Insurance debtors	2,514	757	365	363	233	-	4,232
Other debtors	1,007	94	44	3	-	-	1,148
Total	111,656	851	417	373	239	-	113,536

	2016 Syndicate participation £000						
	Neither due nor 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	1,351	-	-	-	-	-	1,351
Debt securities	1,855	-	-	-	-	-	1,855
Overseas deposits as investments	240	-	-	-	-	-	240
Reinsurer share of claims outstanding	37,711	38	2	2	1	-	37,754
Reinsurance debtors	51,260	5	-	-	-	-	51,265
Cash at bank and in hand	134	-	-	-	-	-	134
Insurance debtors	212	50	52	54	31	-	399
Other debtors	111	198	157	165	-	-	631
Total	92,874	291	211	221	32	-	93,629

At the Corporate level the Company is not 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.

	2017 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	-	-	-	-	-	-
Claims outstanding	-	11,813	37,659	5,569	4,474	59,515
Creditors	605	2,389	-	-	8,744	11,738
Other	-	-	-	-	-	-
Total	605	14,202	37,659	5,569	13,218	71,253

	2016 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	-	-	-	-	-	-
Claims outstanding	-	15,201	21,838	716	-	37,755
Creditors	-	748	956	-	79	1,783
Other	-	-	-	-	-	-
Total	-	15,949	22,794	716	79	39,538

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.

	2017 £000	2016 £000
Impact of 50 basis points increase/(decrease) on result	-	-
Impact of 50 basis points increase/(decrease) on net assets	-	-

The impact of interest rates on the Company's share of the Syndicate results is nil as the Parent Reinsurer proportionately reinsures 100% of all of the Company's underwriting business from the Syndicates.

(6) Segment Reporting

The tables below detail the Company's underwriting results before investment return by class of business.

	2017 £000					
	Gross premiums written	Gross premiums earned	Gross claims incurred	Net operating expenses	Reinsurance Balance	Total
Accident and health	1,875	4,028	(2,145)	(1,339)	(625)	(81)
Motor - other classes	215	180	(264)	(54)	144	6
Marine, aviation and transport	2,569	3,246	(3,577)	(1,417)	1,806	58

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 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.

	2017 £000					
	Gross premiums written	Gross premiums earned	Gross claims incurred	Net operating expenses	Reinsurance Balance	Total
Fire and other damage to property	4,526	6,860	(8,286)	(2,447)	4,026	153
Third party liability	6,202	3,772	(2,441)	(1,824)	459	(34)
Credit and suretyship	1,073	619	(366)	(282)	21	(8)
Legal expenses	6	5	(3)	(2)	-	-
Miscellaneous	-					
Reinsurance	24,984	19,627	(25,476)	7,118	(1,610)	(341)
Total	41,450	38,337	(42,558)	(247)	4,221	(247)

	2016 £000					
	Gross premiums written	Gross premiums earned	Gross claims incurred	Net operating expenses	Reinsurance Balance	Total
Accident and health	4,028	4,316	(2,880)	(1,485)	(2)	(51)
Motor – third party liability	505	440	(271)	(204)	(3)	(38)
Motor - other classes	52	21	(12)	(10)	(5)	(6)
Marine, aviation and transport	2,904	2,595	(1,500)	(767)	(76)	252
Fire and other damage to property	9,366	9,286	(5,367)	(3,187)	(110)	622
Third party liability	2,222	1,125	(929)	(400)	(156)	(360)
Credit and suretyship	299	140	(68)	(50)	(38)	(16)
Legal expenses	17	6	(4)	(3)	(1)	(2)
Miscellaneous	2,785	2,424	(1,294)	(531)	-	600
Reinsurance	10,847	8,837	(7,743)	6,584	(8,732)	(1,054)
Total	33,024	29,191	(20,068)	(53)	(9,123)	(53)

Included in the reinsurance balance are reinsurance commissions and profit participation of £1,429k (2016: income of £391k).

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

	2017 £000	2016 £000
Income from investments	508	378
Realised gains on investments	3	11
Unrealised loss on investments	(52)	(10)
Investment expenses and charges	(31)	(22)
Reinsurer share of investment return	(428)	(357)
	-	-

(8) Net Operating Expenses

	2017 £000	2016 £000
Acquisition costs	(7,404)	(7,855)
Change in deferred acquisition costs	63	840
Administrative expenses	(3,319)	(1,195)
Personal expenses	(755)	(775)
Reinsurance commissions and profit participations	11,168	8,932
Total	(247)	(53)

Net operating expenses represent the Company's share of expenses incurred directly by the Syndicates, less the recovery of these expenses from the Parent Reinsurer that

proportionately reinsures all of the Company's underwriting business from the Syndicates.

During the year the Company paid brokerage fee of £247,000 (2016: £53,000) which is paid from the over-rider provided by the Parent Reinsurer.

(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.

	2017 £000	2016 £000
Professional fees	78	89
Foreign exchange gain	-	-
Other expenses	247	53
Reinsurer reimbursements of member expenses	(300)	(100)
	25	42

Agreed fees for the audit of these annual accounts are £5,880 (2016: £5,880). The total balance payable (including fees accrued but not yet due) to the Company's auditor at 31 December 2017 was £5,880 (2016: £5,800).

(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.

	2017 £000	2016 £000
Current tax:		
UK corporation tax	-	-
Foreign tax	-	-
Total current tax	-	-
Deferred tax: (Note 17)	(3)	(9)
Tax on profit on ordinary activities	(3)	(9)

(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.

	2017 £000	2016 £000
Profit / (loss) on ordinary activities before tax	(25)	(42)
Effects of: Corporation tax in the UK of 19.25% (2016: 20%)	(5)	(9)
Effect of change in tax rates	2	-
Total charge for the year	(3)	(9)

(c) Factors Affecting Tax Charges in Future Years

The UK corporation tax rate was reduced from 20% to 19% on 1 April 2017. As a result, the weighted average applicable tax rate for the year ended 31 December 2017 was 19.25% (2016: 20%). Further reductions have been made, to 17%, with effect from 1 April 2020. These changes in the tax rate will reduce the Company's future current tax charge accordingly.

(11) Directors' Compensation and Staffing

The Directors did not receive any compensation for their services during 2017 (2016: £Nil).

The Company has no employees.

(12) Other Financial Investments

	2017 £000		2016 £000	
	Market value	Cost	Market value	Cost
Shares and other variable yield securities	2,241	2,241	1,351	1,351
Debt securities and other fixed income securities	3,428	3,462	1,855	1,871
Deposits with credit institutions	200	200		
Total	5,869	5,903	3,206	3,222

All shares and other variable yield securities are listed.

The investments held at 31 December 2017 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.

2017 Fair value hierarchy	Level 1 2017 £000	Level 2 2017 £000	Level 2017 £000	Held at amortised cost 2017 £000	Total 2017 £000
Shares and other variable yield securities	2,241	-	-	-	2,241
Debt securities and other fixed income securities	3,428	-	-	-	3,428
Overseas deposits	200	-	-	-	200
	5,869	-	-	-	5,869

2016 Fair value hierarchy	Level 1 2016 £000	Level 2 2016 £000	Level 2016 £000	Held at amortised cost 2016 £000	Total 2016 £000
Shares and other variable yield securities	1,351	-	-	-	1,351
Debt securities and other fixed income securities	1,855	-	-	-	1,855
Overseas deposits	240	-	-	-	240
	3,446	-	-	-	3,446

(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 2017 this share was issued and paid.

This table reconciles the movement in the profit and loss account during the period.

	2017 £000	2016 £000
Profit and loss account at beginning of year	46	79
(Loss)/profit for the financial year	(22)	(33)
Profit and loss account at end of year	24	46

(14) Technical Provisions and reinsurance share of Deferred Acquisition Costs

	2017 £000	
	Provision for unearned premiums	Claims outstanding
Gross technical provisions:		
At 1 January 2017	17,409	37,755
Foreign exchange differences	(1,799)	(9,816)
Movement in provision	3,113	31,576
At 31 December 2017	18,723	59,515

	2017 £000	
	Provision for unearned premiums	Claims outstanding
Reinsurers' share of technical provisions:		
At 1 January 2017	(13,375)	(37,755)
Foreign exchange differences	1,261	9,816
Movement in provision	(3,113)	(31,576)
At 31 December 2017 (i)	(15,227)	(59,515)
Deferred acquisition costs:		
At 1 January 2017	(4,034)	-
Foreign exchange differences	538	-
At 31 December 2017	(3,496)	-
Total	-	-

(i) The reinsurance share of the deferred acquisition costs is included within the reinsurance share of technical provisions of unearned premium.

This table summarises the gross and reinsurers' share of claims outstanding by category.

	2017 £000		
	Gross	Reinsurers' share	Net
Claims notified	28,225	28,225	-
Claims IBNR	31,290	31,290	-
Total	59,515	59,515	-

(15) Other Creditors

	2017 £000	2016 £000
US federal excise taxes and other taxes payable	-	-
Amounts owed to associated and group companies	8,744	-
Amounts recoverable from Syndicate	-	-
Amounts owed to others	2,994	1,783
Total	11,738	1,783

The amount of £8,744k is due to the Company's Parent Company which has been used to provide Funds at Lloyd's ("FAL") (Note 19). These funds are not readily accessible and repayment of this liability will not be possible until the FAL is released. Therefore this liability is not readily repayable within a year.

(16) Corporate assets and liabilities

The majority of the assets and liabilities shown in the balance sheet arise from the Company's share of the assets and liabilities of the Syndicates on which it participates.

The following table shows the assets and liabilities that relate to the Company itself:

	2017 £000	2016 £000
Assets		
Reinsurers' share of technical provisions:		
Provision for unearned premiums	10,387	10,518
Claims outstanding	38,550	32,403
Debtors arising out of reinsurance operations	45	45
Cash at bank and in hand	137	54
Deferred tax asset	3	9
Total assets	49,119	43,029

	2017 £000	2016 £000
Liabilities		
Creditors arising out of reinsurance operations	38,611	42,633
Other creditors	149	40
Accruals and deferred income	23	24
Total liabilities	38,783	42,697

(17) Deferred tax asset

The asset recognised for deferred tax in the financial statements is as follows:

	2017 £000	2016 £000
Asset recognised in the balance sheet		
Opening balance at the start of the year	9	-
Credit for the year	3	9
Total deferred tax asset	12	9

The deferred tax asset is recognised in respect of tax losses carried forward as the directors are of the opinion, based on all available evidence, that it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

The deferred tax asset has been calculated at a rate of 17% being the corporation tax rate that has been enacted and will be in force when the tax losses are expected to be utilised.

(18) Net Portfolio Investment

2017 Movement in net portfolio investment	At 1 January 2017 £000	Change in Market Value £000	Cash Flow £000	At 31 December 2017 £000
Shares and other variable yield securities	1,351	-	890	2,241
Debt securities and other fixed income securities	1,855	-	1,573	3,428
Overseas deposits	240	-	362	602
	3,446	-	2,825	6,271
2016 Movement in net portfolio investment	At 1 January 2016 £000	Change in Market Value £000	Cash Flow £000	At 31 December 2016 £000
Shares and other variable yield securities	-	-	1,351	1,351
Debt securities and other fixed income securities	-	(16)	1,871	1,855
Overseas deposits	-	-	240	240
	-	(16)	3,462	3,446

(19) Funds at Lloyd's

The Company's Parent company proportionately reinsures all of the Company's underwriting results from the Syndicate and provided a £24.2 million (2016: £22.5 million) letter of credit to Lloyd's to collateralise its reinsurance obligations to the Company. During the year the Parent company contributed £8.7m towards the Funds at Lloyd's, in the form of cash, included under creditors on the Company balance sheet.

(20) 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. The ultimate controlling party is the Government of India.

(21) 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.

(22) Contingent Liabilities***Legal Proceedings***

The Syndicates and wider group are regularly involved in various legal proceedings in the ordinary course of their insurance business. The Directors believe the outcome of these proceedings will not have a material adverse effect on the Company's financial position or future profitability.

GENERAL INSURANCE CORPORATION OF INDIA

Regd. Office: 'Suraksha', 170, J. Tata Road, Churchgate, Mumbai

Tel: +91-22-2286 7000; **Fax:** +91-22-2288 4010; **Website:** www.gicofindia.com

CIN: L67200MH1972GOI016133; **IRDAI REG. NO.:** 112

NOTICE

NOTICE is hereby given that the **46th ANNUAL GENERAL MEETING** of the members of the **GENERAL INSURANCE CORPORATION OF INDIA** will be held at "Y. B. Chavan Auditorium", Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400 021 (Maharashtra) on Wednesday, the 5th September, 2018 at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Corporation for the financial year ended 31st March, 2018, the Consolidated Financial Statements for the said financial year and the Reports of the Board of Directors and the Auditors.
2. To declare the dividend of ₹ 13.5 per equity share for the Financial Year 2017-18, as recommended by the Board of Directors.
3. To fix the remuneration of Auditors for the year 2018-19.

"RESOLVED THAT pursuant to the provisions of section 142 of Companies Act 2013, a remuneration of ₹ 38,20,000/- , excluding applicable taxes thereon, payable to the Joint Statutory Auditors, appointed by the Comptroller & Auditor General of India (C&AG), to be shared equally by them, for carrying-out the audit of Standalone and Consolidated financial accounts for the year 2018-19 (including quarterly and half yearly review) be and is hereby approved."

"FURTHER RESOLVED THAT no travelling, halting, out of pocket expenses etc. shall be paid to the auditors as per terms of appointment letter issued by C&AG."

4. To appoint a Director in place of Smt. Alice G. Vaidyan (DIN: 07394437), who retires by rotation and being eligible, offers herself for reappointment.

SPECIAL BUSINESS

5. **Appointment of Smt. Sashikala Muralidharan (DIN: 08036523) as Director of the Corporation.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also provisions of Article 82 of Articles of

Association of the Corporation, Smt. Sashikala Muralidharan (DIN: 08036523) who was appointed as an Additional Director and also as Whole Time Director of the Corporation by the Board of Directors with effect from 27th December, 2017 and who holds the said office under the said Article and pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or upto the last date on which the Annual General Meeting for Financial Year 2017-2018 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, be and is hereby appointed as a Director of the Corporation, liable to retire by rotation."

6. Appointment of Smt. Usha Ramaswamy (DIN: 08190310) as Director of the Corporation.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also provisions of Article 82 of Articles of Association of the Corporation, Smt. Usha Ramaswamy (DIN:08190310) who was appointed as an Additional Director and also as Whole Time Director of the Corporation by the Board of Directors with effect from 1st August, 2018 and who holds the said office under the said Article and pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or upto the last date on which the Annual General Meeting for Financial Year 2017-2018 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, be and is hereby appointed as a Director of the Corporation, liable to retire by rotation."

By the Order of the Board of Directors

For General Insurance Corporation of India

Sd/-

(Suchita Gupta)

Company Secretary

Registered Office:

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

Date: Friday, 3rd August, 2018

NOTES:-

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE CORPORATION.**
- The proxy form in order to be valid and effective must be must be delivered at the registered office of the Corporation as per attached format, duly filled, stamped & signed not later than 48 hours before the commencement of the meeting.
- In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Corporation, carrying the voting rights. A member holding more than ten percent of the total share capital of the Corporation carrying the voting right may appoint a single person as proxy and such person cannot act as a proxy for any other shareholder.

4. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting either to the Corporation in advance or submit the same at the venue of the General Meeting.
5. 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 and forms part of the Notice.

6. Record date for Dividend:

The Corporation has announced Record date of 14th July, 2018 and accordingly Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year 2017-2018, if approved at the meeting, will be payable to those eligible members whose name appeared:

- i. As Beneficial Owners, as on 14th July, 2018 as per the list furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in Dematerialized form, and
- ii. As Members in the Register of Members of the Corporation as on 14th July, 2018 in respect of shares held in Physical Form, after giving effect to all valid share transfers in physical form lodged with the Corporation or its Registrar & Transfer Agents (R&TA) on or before 14th July, 2018.

7. Transfer of Shares (held in Physical Form):

In terms of Regulation 40(7) and 61(4) read with Schedule VII of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is mandatory for the transferor(s) and the transferee(s) of the physical shares to furnish copy(ies) of their PAN card(s) for registration of transfer of shares. Transferor(s) and the Transferee(s) are requested to furnish copies of their PAN card(s) along with Share Transfer Deed duly completed and physical share certificate(s). For securities market transactions and/or for off-market or private transactions involving transfer of shares, the transferee(s) as well as transferor(s) shall furnish copy of PAN card to the Corporation / Registrar and Transfer Agents, as the case may be, for registration of such transfer of securities.

In case where PAN card is not available i.e. in case of residents of Sikkim, the identify proof shall be submitted for registration of such transfer of securities.

8. Nomination:

Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, Members/Beneficial Owners are entitled to make nomination in respect of Shares held by them in Form No. SH-13. Shareholders holding shares in single name and physical form are advised to make nomination in respect of their holding in the Corporation by submitting duly completed Form No SH-13 with the Corporation and to their respective Depository Participant in case of shares held in electronic form. Joint Holders can also use nomination facility for shares held by them.

The Nomination form can be downloaded from the Corporation's website www.gicofindia.com under Section "Investors".

9. Members' holding shares in Multiple Folios:

Members holding shares in multiple folios in identical names or joint holding in the same order of names are requested

to send the share certificates to Registrar and Transfer Agents, M/s. Karvy Computershare Pvt. Ltd. for consolidation into a single folio. Members holding shares in Dematerialized form are also requested to consolidate their shareholding.

10. **Non-Resident Members:**

Non-Resident Indian Members are requested to inform Registrar and Transfer Agents:

- a. Change in their local address in India for correspondence and e-mail ID for sending all e-communications.
- b. Change in their residential status on return to India for permanent settlement.
- c. Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No. and address of the bank, if not furnished earlier, to enable Corporation to remit dividend to the said Bank Account directly.

11. **Green Initiative:**

In support of the "Green Initiative" measure taken by Ministry of Corporate Affairs, Government of India, New Delhi, enabling electronic delivery of documents and also in line with circular Ref.No.CIR/CFD/DIL/7/2011 dated 5th November, 2011 issued by Securities and Exchange Board of India (SEBI) and as prescribed under the relevant provisions under the Companies Act, 2013 and the Rules made thereunder, Corporation has sent Annual Reports in Electronic Mode to the Members who have registered their E-mail IDs either with the Registrar and Transfer Agents or with the respective Depositories. However, an option is available to the Members to continue to receive the physical copies of the documents/ Annual Reports by making a specific request quoting their Folio No./Client ID & DP ID to Corporation or to Registrar and Transfer Agent (RTA).

The Annual Report duly circulated to the members of the Corporation, is also available on the Corporation's website at www.gicofindia.com.

12. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Corporation on all working days i.e. Monday to Friday, between 10:30 a.m. and 12:30 p.m. upto the date of the Annual General Meeting.
13. Share transfer documents and all correspondence relating thereto, should be addressed to the RTA, M/s Karvy Computershare Pvt.Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Tel. Nos.: (040) 6716 1562; Fax No.: (040) 2300 1153; E-mail Address : einward.ris@karvy.com
14. Reserve Bank of India has initiated NECS (National Electronic Clearing System) facility for credit of dividend directly to the bank account of the members. Hence, members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR code & 11 digit IFSC code), in respect of shares held in dematerialized form with their respective Depository Participant i.e. the agency where the demat account has been opened and in respect of shares held in physical form with the RTA at the address given at (13) above or at the registered office of the Corporation.
15. Members may send their requests for change/updation of Address, Bank A/c details, ECS mandate, Email address, Nominations:
 - i) For shares held in dematerialised form - to their respective Depository Participant
 - ii) For shares held in physical form - to the RTA at the address given at (13) above or at the registered office of the Corporation.

16. Members to whom hard copy of Annual Reports have been provided are requested to bring their copies of the Annual Report to the Meeting. The copies of Annual Reports shall be made available at the venue of the Meeting.
17. Members / Proxies attending the Meeting should bring the Admission Slip, duly filled, for handing over at the venue of the meeting.
18. In terms of Section 108 of Companies, Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Corporation is providing the facility to its members to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice.

The cut-off date to be eligible to vote by electronic means is Wednesday, 29th August 2018.

19. Facility for E-Voting

- a) Details of the process and manner of e-voting along with the User ID and Password are being sent to the members along with the notice:
 - by email to those members whose email ID is registered with the Corporation / Depository Participant.
 - by post to those members whose email ID is not registered with the Corporation / Depository Participant.
- b) The instructions and other information relating to e-voting are as under:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - For first time users:
 - Enter the login credentials i.e. User ID and Password mentioned in the notice.
 - After entering these details appropriately, Click on "LOGIN".
 - You will now reach password change Menu wherein you are required to mandatorily change your password with a password of your choice that meets the criteria stated on the webpage.
 - You need to login again with the new password.
 - For existing users already registered with Karvy for e-voting: Please use your existing User ID and password for logging in.

It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- ii. On successful login, the system will prompt you to select the "EVEN" i.e. **General Insurance Corporation of India.**
- iii. On the voting page, enter the number of shares (which represents the number of votes as on the Cut Off date) under "FOR / AGAINST / ABSTAIN" or alternatively, you may partially enter any number of votes in "FOR" and partially in "AGAINST" such that the total number of votes cast "FOR / AGAINST" taken together should not exceed your total shareholding. In case you do not wish to cast your vote you may choose the option "ABSTAIN".

- iv. Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as "ABSTAIN".
 - v. Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
 - vi. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - vii. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
 - viii. Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., to the Scrutinizer at email ID: gicreagm2018@dholakia-associates.com with a copy marked to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format **"GIC RE 46 AGM"**.
20. The e-voting would commence on Friday, 31st August, 2018 at 9:00 A.M. (IST) and end on Tuesday, 4th September, 2018 at 05.00 P.M. (IST). During this period, the eligible members of the Corporation may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter.
 21. Facility for voting would also be made available at the AGM venue. Members who cast their votes electronically should not vote at the AGM. However, in case a member votes electronically as well as at the AGM, the vote cast at the AGM will be ignored.
 22. In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com>.
 23. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Corporation, as on the cut-off date.
 24. The Corporation has appointed Mr. Bhumitra V. Dholakia, FCS from M/s Dholakia, Practicing Company Secretary and in his absence Mr. Nrupang B. Dholakia, ACS from M/s Dholakia & Associates LLP, as Scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner.
 25. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least 2 (two) witnesses not in the employment of the Corporation and submit not later than 48 hours of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Corporation or such other officer authorized by the Chairman.
 26. The results on resolutions shall be declared within 48 hours of the conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
 27. The results of voting along with the Scrutinizer's Report(s) thereon would be available on the website of the Corporation (www.gicofindia.com) and on Service Provider's website (<https://evoting.karvy.com>) immediately after the declaration of the results and would also be communicated simultaneously to the BSE Limited and the National Stock Exchange of India Limited.

STATEMENT IN PURSUANCE OF SECTION 102(1) OF THE COMPANIES ACT, 2013

Statement with respect to items under Special Business covered in the Notice of Meeting are given below:

Item No. 5 - To appoint Smt. Sashikala Muralidharan (DIN: 08036523) as Director of the Corporation

Smt. Sashikala Muralidharan (DIN: 08036523) was appointed by the Board as an Additional Director and as Whole Time Director with effect from 27th December, 2017 consequent to her appointment as Whole Time Director of the Corporation by the Government of India, in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Article 82 of Articles of Association of the Corporation. As per the provisions contained under Section 161 of the Companies Act, 2013, the Additional Director so appointed shall hold office upto the date of the next Annual General Meeting or upto the last date on which the Annual General Meeting should have been held, whichever is earlier. Accordingly, Smt. Sashikala Muralidharan, as an Additional Director, holds office upto the date of this Annual General Meeting.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the Corporation, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as the case may be, along with deposit of Rupees One Lakh. The deposit shall be refunded to the person, if the person whose name is so proposed gets elected as a Director or gets more than twenty-five percent of total valid votes cast on such resolution.

Smt. Sashikala Muralidharan, prior to her appointment as Director, was elevated and posted in National Insurance Co. Ltd, where she served as the CISO, CFO and led the IT team in the implementation of the end to end, tightly integrated, ERP comprising of core insurance solution, CRM, DMS, Financials, HRMS etc. Presently she is a Non-Executive Director in GIC Housing Finance Limited.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Corporation on all working days i.e. Monday to Friday, between 10:30 a.m. and 12:30 p.m. upto the date of the Annual General Meeting.

None of the other Directors, Key Managerial Personnel of the Corporation or their relatives are, in any way, concerned or interested in the resolution set out at item No. 5 of the Notice.

The Board recommends the Ordinary Resolution as set out at item no. 5 for approval by the Members.

Item No. 6 - To appoint Smt. Usha Ramaswamy (DIN: 08190310) as Director of the Corporation

Smt. Usha Ramaswamy (DIN: 08190310) was appointed by the Board as an Additional Director and as Whole Time Director with effect from 1st August, 2018 consequent to her appointment as Whole Time Director of the Corporation by the Government of India, in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Article 82 of Articles of Association of the Corporation. As per the provisions contained under Section 161 of the Companies Act, 2013, the Additional Director so appointed shall hold office upto the date of the next Annual General Meeting or upto the last date on which the Annual General Meeting should have been held, whichever is earlier. Accordingly, Smt. Usha Ramaswamy, as an Additional Director, holds office upto the date of this Annual General Meeting.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the Corporation, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as the case may be, along with deposit of Rupees One Lakh. The deposit shall be refunded to the person, if the person whose name is so proposed gets elected as a Director or gets more than twenty-five percent of total valid votes cast on such resolution.

Smt. Usha Ramaswamy, on being posted at GIC Re as General Manager in 2015, had initially handled the Aviation, Marine, foreign Reinsurance Inward business and International Operations of the Corporation and presently is in charge of the Property / Protection portfolio as well as Broker Relationship. Prior to her posting at GIC Re, she was posted at United India Insurance Company Ltd. where she headed key Divisional Offices, the Large Corporate Cell and the Regional Office at Bangalore which is the largest Regional Office of the Company and a launch pad for new initiatives like Motor Dealer Office and Bancassurance Hub.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Corporation on all working days i.e. Monday to Friday, between 10:30 a.m. and 12:30 p.m. upto the date of the Annual General Meeting.

None of the other Directors, Key Managerial Personnel of the Corporation or their relatives are, in any way, concerned or interested in the resolution set out at item No. 6 of the Notice.

The Board recommends the Ordinary Resolution as set out at item no. 6 for approval by the Members.

By the Order of the Board of Directors

For General Insurance Corporation of India

Sd/-

(Suchita Gupta)

Company Secretary

Registered Office:

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

Date: Friday, 3rd August, 2018

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING





FORM NO. MGT 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

GENERAL INSURANCE CORPORATION OF INDIA

Regd. Office: 'Suraksha', 170, J. Tata Road, Churchgate, Mumbai.

Tel: +91-22-2286 7000; **Fax:** +91-22-2288 4010

Website: www.gicofindia.com

CIN: L67200MH1972GOI016133; **IRDAI REG. NO.:** 112

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No./Client ID & DP ID	

I/We being the Member(s) holding _____ equity shares of ₹ 5/- each of General Insurance Corporation of India, hereby appoint:

1. Name: _____ E-mail Id: _____
Address: _____ Signature: _____ or failing him;
2. Name: _____ E-mail Id: _____
Address: _____ Signature: _____ or failing him;
3. Name: _____ E-mail Id: _____
Address: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of the Corporation, to be held on Wednesday, 5th September, 2018 at 3.00 P.M., at "Y. B. Chavan Auditorium", Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400 021 (Maharashtra) and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statements of the Corporation for the financial year ended 31 st March, 2018, the Consolidated Financial Statements for the said financial year and the Reports of the Board of Directors and the Auditors.		
2	To declare the dividend of ₹ 13.5 per equity share for the Financial Year 2017-18, as recommended by the Board of Directors.		
3	To fix the remuneration of Auditors for the year 2018-19.		
4	To appoint a Director in place of Smt. Alice G.Vaidyan (DIN:07394437), who retires by rotation and being eligible, offers herself for reappointment.		

Resolution No.	Resolutions	Optional*	
		For	Against
Special Business			
5	Appointment of Smt. Sashikala Muralidharan (DIN: 08036523) as Director of the Corporation		
6	Appointment of Smt. Usha Ramaswamy (DIN: 08190310) as Director of the Corporation		

Signed this _____ day of _____ 2018

Signature of Member(s): _____

Signature of the Proxyholder(s): _____

Affix
Revenue
Stamp ₹ 1/-

Note:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Corporation, not less than 48 hours before the commencement of the Meeting.
- (2) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
- *(3) It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (4) Please complete all details including details of member(s) in above box before submission.



आपत्काले रक्षिष्यामि
GIC Re

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

visit us at www.gicofindia.in

CIN: L67200MH1972GOI016133 & IRDA Registration No: 112