

43RD

ANNUAL REPORT 2014-15

'GIC Re Reinsures the World'



आपत्काले रक्षिष्यामि

GIC Re

भारतीय साधारण बीमा निगम

General Insurance Corporation of India

С О М М А П О М



VISION

To be a leading
global reinsurance and
risk solution provider

CORE VALUES

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

MISSION

To achieve our Vision by

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

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CORPORATE INFORMATION

DIRECTORS

Shri A. K. Roy	Chairman cum Managing Director
Smt. Snehlata Shrivastava	
Shri Sushobhan Sarker	Upto 31.05.2014
Shri Arun Tiwari	w.e.f. 24.02.2014
Shri Gopalan Srinivasan	w.e.f. 08.05.2014
Shri B. Chakrabarti	Upto 12.01.2015
Shri Sanjiv Kapoor	Upto 25.09.2014
Dr. Sunil Gupta	Upto 30.10.2014
Shri S. Yugandhara Rao	Upto 08.08.2014
Shri Doulat Raj Mohnot	

Management

Chairman cum Managing Director

Shri A. K. Roy

General Managers

Shri S. Yugandhara Rao	Upto 08.08.2014
Shri N. Mohan	upto 30.05.2015
Shri G. C. Gaylong	w.e.f. 30.06.2014
Shri R. K. Deka	w.e.f. 15.01.2015
Smt. Alice Vaidyan	
Shri P. Venkatramaiah	upto 31.05.2014
Shri P. Dutta	
Shri Y. Ramulu	w.e.f. 30.05.2014
Shri B. Balachandra	w.e.f. 17.10.2014

Chief Vigilance Officer

Shri Ravi Chaudhary

Deputy General Managers

Shri P. N. Gandhi	
Smt. Reena Bhatnagar	
Shri B. N. Narsimhan	
Shri D. T. V. Sastri	
Shri V. C. Jain	
Shri Sushil Kumar	
Shri J. M. Gajendragadkar	
Shri Deepak Prasad	
Shri Farrukh Shah	
Shri A. K. Agarwal	
Smt. Lakshimikala Raghupathy	w.e.f. 16.06.2014
Shri Anil Sant	w.e.f. 16.06.2014 upto 30.04.2015
Smt. Madhulika Bhaskar	w.e.f. 16.06.2014
Shri Deepak Godbole	w.e.f. 16.06.2014
Shri Devesh Shrivastava	w.e.f. 16.06.2014
Shri S. N. More	w.e.f. 16.06.2014

Company Secretary

Smt. Suchita Gupta

Auditors

Ms. GBCA & Associate
Chartered Accountants
Devansh, 2nd floor,
133, Dada Saheb Phalke Road
Near Ranjeet Studies, Dadar (E)
Mumbai - 400 014.

M/s. Manubhai & shah
Chartered Accountants
2nd Floor, 'B' wing, Premium House,
Near Gandhigram Rly. Station,
Navrangpura, Ahmedabad - 9.

CIN No.

U67200MH1972G01016133

IRDA Registration No.

112

CORPORATE CHRONICLE

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



BOARD OF DIRECTORS

(Left to Right): Mr Doulat Raj Mohnot, Mr Ashok Kumar Roy,
Mrs Snehlata Shrivastava, Mr Arun Tiwari, Mr G Srinivasan



Ashok K Roy

Chairman-cum-
Managing Director,
GIC RE

Mr Ashok Kumar Roy is an Agriculture Engineer with B. Tech (Hons) from the Indian Institute of Technology, Kharagpur and a Fellow of the Insurance Institute of India. Mr. Roy joined the Indian General Insurance Industry as a direct recruit officer in 1979. He served the Oriental Insurance Co. Ltd. for 29 years in various capacities, primarily as property underwriter before moving on to GIC Re in June 2008 as General Manager.

In December 2011 Mr. Roy took over as officiating Chairman-cum-Managing Director of Agriculture Insurance Company of India. Mr Roy was appointed as the Chairman-cum-Managing Director of GIC Re in January 2012.

Mr. Roy is also Chairman of GIC Housing Finance Ltd. and GIC Asset Management Co. Ltd. He is the President of Insurance Institute of India. Mr Roy is a Director on the Board of several companies, including Life Insurance Corporation of India; Indian Register of Shipping, East Africa Reinsurance Co. Ltd., Kenindia Assurance Co. Ltd., Asian Reinsurance Corporation and ECGC of India Ltd.

Mr. Roy has keen interest in Change Management, Negotiation skills, and Corporate Governance. He is known for his initiatives in HR Development in GIC Re. Setting up of an Innovation Centre at GIC Re has been his latest initiative at GIC Re.



Snehlata Shrivastava

Additional Secretary,
Department of
Financial Services

Mrs Snehlata Shrivastava, Additional Secretary in the Department of Financial Services, Ministry of Finance has been inducted on the Board of Directors of the Corporation.

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

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

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

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



Arun Tiwari

Chairman &
Managing Director,
Union Bank of India

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

Mr Tiwari has worked in almost all key segments of Banking, in various capacities – at Branches, Zonal Office, and at Corporate Office as General Manager – MSME & Wealth Management, Whole sale Banking. His tenure in the Bank of Baroda spanned various geographies of the country and overseas centers at Kuala Lumpur and Singapore, as Chief Executive of the respective territories. He had the privilege to set up operations at both these Centers. He also worked in CMD's Secretariat for two years.

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

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

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



G. Srinivasan
Chairman GIPSA &
Chairman cum
Managing Director,
New India Assurance
Co. Ltd.

Mr G Srinivasan, Chairman-cum-Managing Director, New India Assurance Company Limited is a graduate in Commerce and Fellow of the Insurance Institute of India. He is also an Associate of the Institute of Cost & Works Accountants.

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

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

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

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

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

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



D R Mohnot
Partner,
M/s D R Mohnot &
Co. Jaipur

Mr D R Mohnot, a Chartered Accountant by profession, is a senior and promoter partner in M/s D R Mohnot & Co. Jaipur.

He has been partner in charge on the audits of several public sector companies, nationalized banks and other organizations including Bharat Sanchar Nigam Limited (BSNL, Rajasthan Circle); Jaipur Vidhyut Vitaran Nigam Limited (JVVNL), ASREC, LIC of India, UCO Bank.

Mr Mohnot has also been the secretary treasurer of Jaipur Branch of Institute of Chartered Accountants of India for two years. He was also a member of executive committee of the Institute in the recent past.

Mr Mohnot was a member of the Company Law Committee of Jaipur constituted in Registrar of Companies Jaipur for various company law matters. Mr Mohnot has also been actively associated with several religious institutions.



MANAGEMENT

Seated (Left to Right): General Managers: Y Ramulu, G C Gaylong, Chief Vigilance Officer Ravi Chaudhary, R K Deka, Chairman-cum-Managing Director Ashok Kumar Roy, Alice Vaidyan, Parijat Dutta, B Balachandra

Standing (Left to Right): Deputy General Managers: D T V Sastri, Reena Bhatnagar, Lakshmikala Raghupathi, Madhulika Bhasker, Deepak N Godbole, P N Gandhi, B N Narasimhan, J M Gajendragadkar, Deepak Prasad, Sushil Kumar, V C Jain, Sashikant More, Akhilesh Kumar Agarwal

NOTICE

NOTICE is hereby given that the 43rd **ANNUAL GENERAL MEETING** of the Members of the **GENERAL INSURANCE CORPORATION OF INDIA** will be held at the Registered Office of the Corporation at "Suraksha", 170, J. Tata Road, Churchgate, Mumbai - 400 020, on Friday, the 17th July, 2015 at 11.15 a.m. to transact the following

Ordinary Business

1. To receive and adopt the Directors' Report and Audited Statements of Account for the year ended 31st March 2015.
2. To declare dividend on equity shares.
3. To fix remuneration of auditors for the year 2015-2016.

For and on behalf of the Board

(Suchita Gupta)
Company Secretary

Registered Office:

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

Dated : 25th June, 2015

Note :

1. A member entitled to attend and vote at the Meeting is entitled to appoint another person, whether a member or not, as his proxy to attend the meeting and vote instead of himself.
2. The instrument appointing a proxy or other authority, if any, can be deposited at the Registered Office of the Corporation, not less than 48 hours before the time for holding the meeting.

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the Forty third Annual Report on the working and affairs of the Corporation and the audited statements of account for the year ended 31st March, 2015.

FINANCIAL RESULTS:

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

	(₹ in crore)			(₹ in Crores)	
	2014-15	2013-14		2014-15	2013-14
1. Gross Premium	15183.97	14680.12	13. Profit before Tax (9+10+11-12)	2827.23	2303.43
2. Net Premium	13857.01	13212.62	14. Income-tax Deducted at Source and Provision for tax incl. deferred taxes	133.51	50.26
3. Net Earned Premium	13558.25	13608.81	15. Profit after Tax (13-14)	2693.72	2253.17
4. Net Incurred Claims	11891.77 87.7%	12107.29 89.0%	16. Balance of Profit b/f from previous year	0.09	-906.09
5. Net Commission	2784.25 20.5%	2448.99 18.0%	17. Interim Dividend	-	118.25
6. Operating Expenses and Other Outgo less Other Income	217.87	-60.26	18. Proposed Dividend	540.00	331.10
7. Investment Income Apportioned to Revenue less expenses	3024.82	2568.80	19. Dividend tax	109.93	76.37
8. Premium Deficiency	58.46	0.00	20. Transferred to General Reserves	2043.80	821.28
9. Total Profit/Loss (-) (3+7-4-5-6-8)	1630.71	1681.59	21. Balance of Profit carried forward (15+16-17-18-19-20)	0.08	0.09
10. Interest, Dividends and Rents (gross)	1228.63	912.22			
11. Other Income less Other Outgo	155.51	-34.27			
12. Reserve for Doubtful Debts and Investment incl. Amortisation of Investments Written off	187.62	256.10			

- (Net Earned Premium is arrived after adjustments for Reserve for Unexpired Risks)
- (Percentages relate to the net earned premium of the corresponding year)
- (Obligatory cessions form Domestic Insurance Companies reduced from 10% to 5% w.e.f. 01.04.13 vide IRDA/NL/RI/41/2012-13 date 03.03.13)

DIVIDEND

During the year, the Directors recommended ₹ 540.00 crore at the rate of 125.61% as the full and final dividend on date as against ₹ 449.35 crore at the rate of 104.5% in the previous year.

CAPITAL AND FUNDS

Capital and Funds of the Corporation stood at ₹ 40037.40 crore as on 31st March, 2015 as against ₹ 37993.10 crore in the previous year, the details of which are given below:

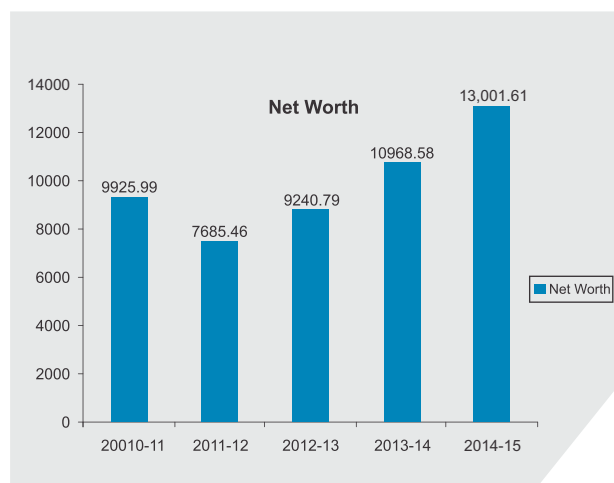
DIRECTORS' REPORT

(₹ in crore)

	As on 31.03.2015	As on 31.03.2014
I Shareholders' Funds		
Paid up Capital	430.00	430.00
General Reserve	12589.00	10545.20
Profit & Loss a/c	0.08	0.09
	13019.08	10975.29
II Policyholders Fund	27018.32	27024.51
Total Funds	40037.40	37993.10

**Net worth (Shareholders Funds)
for the last 5 years**

(₹ in crore)

**ASSETS**

Total Assets of the Corporation were ₹ 78093.32 crore as on 31st March, 2015 as compared to ₹ 66991.86 crore as on 31st March, 2014.

CONSOLIDATED FINANCIAL STATEMENT

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

financial statements under sub-section (2) of Section 129.

As per the above section, the Corporation was required to prepare financial statements as above.

Subsequently, Ministry of Corporate Affairs has notified an amendment to Companies (Accounts) Amendment Rules, 2014 vide notification dated 16 January 2015 wherein it is specified as under:

"Provided also that nothing in this rule shall apply in respect of consolidation of financial Statement by a company having subsidiary or subsidiaries incorporated outside India only for the financial year commencing on or after 1st April 2014."

Since the Corporation has subsidiaries outside India only (and does not have any Indian subsidiary), GIC Re is not required to prepare Consolidated Financial Statement of its Subsidiaries, Associates and Joint Ventures.

FINANCIAL RATING AND RANKING

A.M. Best Company has reaffirmed the Financial Strength Rating of A- (Excellent) and the issuer credit rating of "a-" to GIC Re. The outlook for both ratings is stable.

The rating reflects GIC Re's solid risk-adjusted capitalization, consistently favorable investment results and its strong presence in the Indian and overseas reinsurance markets.

Credit Analysis & Research Limited (CARE)

Credit Analysis and Research Limited (CARE) has reaffirmed AAA (In) claim paying ability rating of GIC Re. The rating factors in, GIC Re's good solvency position and adequate liquidity.

GIC Re's Global Ranking

GIC Re is ranked 15th among international reinsurers by AM Best Company, based on Reinsurance Gross Premium Written in year 2013 and 17th by Standard & Poor based on Net Reinsurance Premium Written in year 2013

SOLVENCY RATIO

The Solvency Margin of the Corporation as on 31st March, 2015 stood at 3.04 as against 2.73 in the previous year.

INVESTMENTS

The book value of the investment of the corporation in India (representing investment, loans & deposits) amount

DIRECTORS' REPORT

to ₹ 30,694.38 crore as on 31.03.2015 as against ₹ 28,691.11 crore in the previous year. The Investment Income of ₹ 4,181.81 crore were apportioned to Policy Holder & Share Holder was as under:

	(₹ In Crore)
Apportioned to Policyholders	₹ 2,974.52
Apportioned to Shareholders	₹ 1,207.29

The mean yield on funds with profit of sale of investments stood at 14.08%. The net NPA% (Non performing Assets) was at 0.71%.

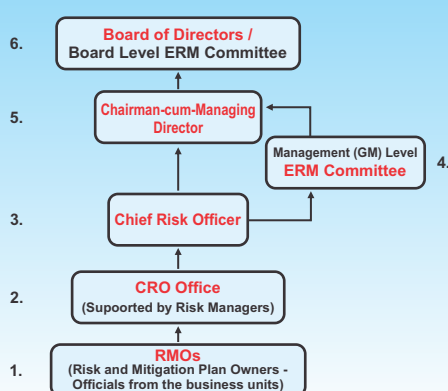
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (IRDAI)

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

ENTERPRISE RISK MANAGEMENT

A robust ERM policy was adopted by GIC Re management in the beginning of 2013. The policy defines a 6 level Governance structure and also specifies the roles and responsibilities at each level. The ERM department is headed by the Chief Risk Officer (CRO) who reports to the Chairman cum Managing Director (CMD). ERM department carries out the following activities as part of its primary functions:- conducting an Annual Risk Management Workshop where the GIC Re top management analyses, identifies and re-calibrates the risks that matter most. They also propose a control/mitigation plan with timelines.

ERM Governance Structure - 6 levels



Department undertakes to analyse the risks and fix risk appetite and tolerance values are defined through Key Risk Indicators (KRIs). KRI thresholds are fixed as a range. KRIs assist an organization to assess areas of key importance and thereby monitor the progress made towards organizational goals. The department also conducts periodic review of the risk universe, control implementation and its effectiveness and also keeps the ERM Committees duly informed of serious developments and deviations.

As part of its allied activities, the ERM department conducts an Annual Fire Drill; periodically reviews the Business Continuity Plan to ensure smooth continuity of critical processes in case of an untoward event happening.

ERM department with support from the Information Technology Management Group (ITMG) is working on a project to implement a software solution based ERM system. The project is soon to conclude and 'Go-Live'. The completion of this project will automate the process of recording the identified risks and their mitigation plans. Reporting will also be raised to a different level thereby bringing in better controls in Risk Management.

As directed by the Board, this year the ERM department undertook the exercise to document the Standard Operating Procedures (SOP) for its two key functions - Reinsurance and Investment and its related accounting activities through the services of a Consulting firm.

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORTING

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

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

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

AUDITORS AND AUDIT REPORT

STATUTORY AUDITORS

GBCA & Associates, Chartered Accountants and Manubhai & Shah, Chartered Accountants were appointed as joint Auditors to audit the accounts of the Corporation for the financial year 2014-15 by the Comptroller & Auditor General of India under Section 139 and section 143 of the Companies Act, 2013.

DIRECTORS' REPORT

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

SECRETARIAL AUDIT

The Board has appointed M.M.CHAWLA AND ASSOCIATES, Practicing Company Secretary to conduct Secretarial Audit for the financial year 2014-15.

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

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

EXTRACT OF ANNUAL RETURN

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

FOREIGN EXCHANGE EARNINGS & OUTGO AND OTHER INFORMATION

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

- i) Earnings ₹ 1816.19 crore
- ii) Outgo ₹ 1975.69 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 ₹ 6,93,716.60, ₹ 4,53,00,229.27 and ₹ 4,88,47,258.04 respectively for the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The Corporation is not engaged in any manufacturing activity and as such there are no particulars to disclose under the Companies (Accounts) Rules, 2014 as regards Conservation of Energy or Technology absorption.

PERSONNEL AND INDUSTRIAL RELATIONS

I. STAFF POSITION AS ON 31.03.2015

Class I	-	Officers	407
Class III	-	Clerical Employees	90
Class IV	-	Sub-Staff	24
TOTAL			521

Composition of Scheduled Castes and Scheduled Tribes in the employee Strength

Cadre	Total Employee Strength	Composition			
		SC	%	ST	%
Officers	407	60	14.74	20	4.91
Clerical	90	23	25.56	11	12.22
Sub-Staff	24	5	20.83	1	4.17
Total	521	88	16.89	32	6.14

II. WELFARE OF SC/ST/OBC:

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

The Dr. Ambedkar Welfare Trust of GIC Re was established during the birth centenary year of Dr. B.R. Ambedkar. The trust implemented various Welfare Schemes for the benefit of SC/ST/OBC candidates.

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

The Company has been employing women employees in various cadres within its office. The Company has in place a policy against Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees are covered under the policy. There was no complaint received from any employee during the financial year 2014-15 and hence no complaint is outstanding as on 31.03.2015 for redressal.

DIRECTORS' REPORT

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 various departments of the Corporation 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.

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

CMD's Shield was awarded to ITMG (Information Technology Management Group) and certificates were given to Human Resources Department and General Accounts Department as these departments were found to be the best performing Departments of the Corporation with regards to Official Language Implementation.

All Officers and employees are having working knowledge of Official Language and no one is remaining for Hindi (Language, Typing and Stenography) training in GIC Re.

Out of 521 personnel of GIC Re 79 are proficient in Hindi.

Akruti based UNICODE has been installed on the Computers and officers and employees are able to do their day to day work in Hindi also.

An inspection by Parliamentary Committee on Official Language was carried out on 7th January, 2015 and the performance of GIC Re found to be satisfactory.

VIGILANCE

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

The Department also focuses on various systems improvement initiatives.

The focus of the Organisation, in concurrence with CVC guidelines, is to take proactive steps to avoid a vigilance-

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

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

INTERNAL AUDIT DEPARTMENT

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

To achieve the objective, the Internal Audit Department has utilized the services of professional audit firms. During the year 2014-15, M/s Kailash Chand Jain & Co. were appointed as Internal Auditors for Reinsurance Operations and M/s R. Devendra Kumar & Associates were appointed as Internal Auditors for Investment & Other Operations. To ensure independence of the Audit function and in line with the best corporate governance practices, the Internal Audit Department functions independently under the supervision of the Audit Committee of the Board, which reviews the performance of the Internal Audit Function and effectiveness controls laid down by the Corporation and compliance with the regulatory guidelines.

The Internal Audit team conducts audit of business transactions and reviews the prevalent systems. It presents its Internal Audit Report each month. The reports are placed before the Audit Committee of the Board for their consideration and directions. Internal Audit Department co-ordinates with all user departments, for compliance of Audit Observations. Six (6) meetings of the Audit Committee of the Board were held during the year 2014-15. Action Taken Reports were presented to the Audit Committee to report the status of progress on the implementation of the directions of the Committee.

DIRECTORS' REPORT

During the year, emphasis was laid on core business activities and audit of Reinsurance underwriting operations, settlement of accounts & reconciliations were carried out. 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.

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

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 OSLR balances. 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 Organization. The setup is headed by 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, while a Chief Manager discharges the duties of Assistant Public Information Officer under the provisions of the Act. The Corporate website www.gicofindia.com also hosts information as relevant to the Corporation, under the Act.

The Corporation in view of its core activity of reinsurance business does not have much interaction with the public at large and as such does not receive many applications

under the Act. However due to GIC Re's position as the erstwhile Holding Company, GIC Re continues to receive Applications from the customers/employees and ex-employees of the four Public Sector Companies, under the RTI Act, 2005.

During the period under review (2014-15) the Corporation received forty-one Applications and three First Appeals under the RTI Act 2005. All the applications were duly replied and appeals were disposed of well within the stipulated time period.

INFORMATION TECHNOLOGY MANAGEMENT GROUP (ITMG)

Information Technology Management Group of the Corporation plays the role of an enabler for business strategies and change management. Following the completion of the functional upgrade of the core ERP system in the previous year, the SAP DMS integration project has been initiated this year for linking the documents stored in the Document Management system with their corresponding transaction in the core ERP system.

The corporate office of GIC Re has become Wi-Fi enabled during the year. Review of the security policy and IT Security Audit with the help of a CERT-IN certified auditor has been taken up during the year. DR drill of the SAP core applications was also carried out during the year.

INDIAN MOTOR THIRD PARTY INSURANCE POOL (IMTPIP):

As per the directive of IRDA, the IMTPIP, which was in operation since 01.04.2007, was dismantled effective from 31.03.2012 on clean cut basis. The final trench of liabilities for the Underwriting years 2010-11 and 2011-12 was settled between the Member Companies on 30.06.2014.

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

The IMTPDRIP has been in operation since 01.04.2012 and is in the 3rd year of operation.

The process of Annual clean cut settlement in respect of DR Pool liabilities for the year 2013-14 was completed @ 175% of Ultimate Loss Ratio (ULR).

During the year 2014-15, the total number of Member Companies remains unchanged at 21 and have ceded premium of ₹ 317 crore* (17% decrease over previous year) from 2.79 lakh policies (29% decrease over previous year).

*unaudited figures of Oriental for 2014-15 are considered.

DIRECTORS' REPORT

TRAINING/HRD

Training is about enabling all individuals to successfully achieve future goals. The training department helps plan, design, deliver individual and organizational development. With this in mind different programmes were conducted with the aim to upgrade the skills of our personnel. It ensures that randomness is reduced and learning or behavioral change takes place in structured format.

In the year 2014-15 training was imparted to all levels of employees both internally and externally. Various programmes were conducted for the employees at GIC Re's Learning Academy, National Insurance Academy, Pune and other Reputed Institutes. Many soft skilled programmes as well as technical based programmes were initiated.

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

Organization	No. of Programmes	No. of Officers/ Employees trained
GIC Re Learning Academy	34	100%
NIA, Pune	24	102
III	6	20
Other reputed organization	46	103
Seminar /Conferences/ Trainings in domestic locations and foreign countries	15	42

- * A special programme week long for our underwriters was conducted in NIA, Pune in the month of September, 2014.
- * A programme was conducted on Advance Xcel for some employees in GIC Re.
- * A brief induction programme (15 days) conducted at Insurance Institute of India for the NIA recruits in April, 2015.
- * 5 specialised programmes were held in the FY 2014-15 for the participants from cedant companies from the Asian and African countries as a part of our marketing strategy. Over 120 participants were trained in these programmes.

Reinsurance Management	May 2014
Life Reinsurance	July 2014
General Insurance - Fire , Project and Mega Lines	September, 2014
General Insurance- Liability and Oil & Energy	January 2015
Reinsurance- Professional Level	February, 2015
- * Because of SAP upgradation, we conducted the ESS (employee self-service) workshop for the entire batch of employees and officers wherein they trained how to use these modules for leave, IT declaration, time management. This was the first time we had covered all employees in all Scales.
- * A practical training workshop was held for women employees on self-defence.

OVERSEAS EXPANSION

In terms of its vision "to be a leading global reinsurer and risk solution provider", Overseas Expansion through JV and M&A is high on the agenda in GIC Re's growth plan.

During the previous year, 'GIC Bhutan Re Limited', the maiden reinsurance company in Bhutan, a Joint Venture of GIC Re and local promoters of high repute was operationalized.

GIC Re has also offered to share its expertise and experience with other neighboring SAARC nations and offered support in different forms including capital contribution in fulfilling their plans of creating reinsurance set up. GIC Re has been actively participating in the "SAARC Insurance Regulators' Forum" and offering technical advice and support to its activities.

GIC Re has acquired a composite reinsurance company in South Africa which has been fully operationalized as 'GIC Re South Africa Ltd' during the year under review.

The plan of upgrading status to 'Admitted Reinsurer' in Brazil is in an advance stage.

INVESTMENT IN INSURANCE COMPANIES DOMESTIC OPERATIONS

AGRICULTURE INSURANCE COMPANY OF INDIA LTD. (AICL)

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 declared dividend of 10% for the financial year 2014-15.

DIRECTORS' REPORT

OVERSEAS OPERATIONS

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

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 2014-15, the Gross Premium written by the Branch was GBP 43.83 mn compared to GBP 43.91 mn last year and earned a profit of GBP 3.51 mn as against a loss of GBP 5.02 mn last year.

DUBAI BRANCH (UAE)

During the current financial year 2014-15, the Gross Premium written by the Branch is AED 1,119.55 mn compared to AED 1086.60 mn last year and incurred a loss of AED 357.45 mn as against a loss of AED 262.48 mn last year.

MALAYSIA BRANCH

During the current financial year 2014-15, the Gross Premium written by the Branch is RM 447.08 mn compared to RM 538.20 mn and incurred a loss of RM 138.85 mn as against a loss of RM 18.61 mn.

KENINDIA ASSURANCE CO.LTD., KENYA

The paid up share capital of the Company is Kshs 561 mn. The total shares held by GIC Re is 515,777 shares of Kshs 100 each as on 31.12.2014. The Corporations' holding in the share capital of the Company is 9.19%.

Kenindia has not declared any dividend for the year ended 31st December, 2014.

INDIA INTERNATIONAL INSURANCE PTE. LTD. SINGAPORE

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

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

The Company has declared the dividend of 7.5% for the year ended 31st December, 2014.

ASIAN REINSURANCE CORPORATION, BANGKOK

The Corporation is holding 9.23% of the share capital as Associate Member of Asian Re in addition to holding 1.25 % of the share capital as its Regular Member on behalf of the Government of India. The Company has not declared any dividend for the year 2014.

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 1,47,522 shares of 1000 kshs, as on 31st March, 2015.

The Company declared a dividend of 6% on the increased share capital for the year ended 31st December, 2014.

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 holds 13,000,000 shares of value Nu 10 each as of 31st December 2014. The rest of the shareholding is divided between two Local Bhutanese promoters with 17% stake each and 40% shares are held by the public.

GIC Re South Africa Ltd.

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

The Corporation holds 5,750,000 shares of value ZAR 2 each, constituting 100% of GIC Re South Africa Ltd's equity as of 31st December 2014.

DECLARATION OF INDEPENDENT DIRECTORS

As per Sub-Section (6) of Section 149, the Corporation has received declaration of Independence from all the independent Directors, namely:

1. Mr. Sanjiv Kapoor
2. Dr. Sunil Gupta
3. Mr. B Chakrabarti
4. Mr. D R Mohnot

DIRECTORS' REPORT

DIRECTORS RESPONSIBILITY STATEMENT

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

1. In the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures:
2. Appropriate accounting policies have been selected and have been applied consistently and have made judgments 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 2014-15 and of the profit or loss of the Corporation for the period :
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis.
5. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE CORPORATION

A major earthquake event occurred in Nepal on 25 April 2015, which will have impact on GIC Re financials during the year 2015-16. The details thereof are as under:

Details	Amount in \$ min.	Amount in ₹ crore
Maximum gross exposure of GIC Re	140.00	870.00
Expected gross loss	50.00	310.00
GIC Re net exposure to the CAT event	10.00	62.00

The remaining portion of the loss over and above USD 10 min (₹ 62 crore) is recoverable from our reinsurance protection programme.

GENERAL MEETINGS

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

10th September 2014
11th July 2013
15th September 2012

BOARD MEETINGS

The number of Board meeting held during financial year 2014-15 of the Corporation were (5) they are as follows:

13th June 2014
18th June 2014
10th September 2014
27th November 2014
18th February 2015

SUBMISSION OF ACCOUNTS BEFORE PARLIAMENT

As confirmed by the Ministry of Finance, Insurance Division, the Annual Report of the Corporation for the year 2013-14 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 5th December 2014
RAJYA SABHA. 9th December 2014

ACKNOWLEDGEMENT

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

For and on behalf of the Board

A K Roy
Chairman-cum-Managing Director

Date : 30th May, 2015
Place : Mumbai

The Annual Report on CSR Activities

1. Brief outline of CSR policy:

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

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

2. Composition of CSR Committee:

Mr. A. K. Roy, CMD

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

Mr. Doulat Raj Mohnot, Independent Director

3. Average Net profit of Company for last three financial years: ₹ 1372.24 crores

4. Prescribed CSR expenditure (2% of the amount in item 3): ₹ 27.44 crores

5. Details of CSR spent during financial year -

a) Total Amount to be spent in FY: ₹27.44 crores

b) Amount Unspent ₹9.49crores

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/programmes (₹) direct	over-head	Cumulative expenditure (₹)	Amount spent direct/through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(6+7) (8)	(9)
1.	Clean Ganga Fund	Health Hygiene	Benares Uttar Pradesh	10,00,00,000	10,00,00,000	0.00	10,00,00,000	Direct
2.	Chief Minister Fund J & K	Flood relief	Srinagar J & K	1,00,00,000	1,00,00,000	0.00	1,00,00,000	Direct
3.	Chief Minister Fund Andhra Pradesh	Flood relief	Hyderabad Andhra Pradesh	1,00,00,000	1,00,00,000	0.00	1,00,00,000	Direct
4.	Swachh Bharat	Hygiene Sanitation	Delhi Pan India	5,00,00,000	5,00,00,000	0.00	5,00,00,000	Direct
5.	SCITECH Park	Health	Pune Maharashtra	10,00,000	10,00,000	0.00	10,00,000	Agency
6.	BMVSS	Health/ Livelihood	Jaipur Rajasthan	25,00,000	25,00,000	0.00	25,00,000	Agency BMVSS
7.	NIA	Education	Pune Maharashtra	12,06,000	12,06,000	0.00	12,06,000	Agency NIA
8.	Concern India Foundation	Sports	Mumbai Maharashtra	5,00,000	5,00,000	0.00	5,00,000	Agency CIF
9.	CPAA	Health	Mumbai Maharashtra	2,40,000 9,73,000	12,13,000	0.00	12,13,000	Agency CPAA
10.	Initiatives in Nezabhari, Lucknow	Health Education Infrastructure	Lucknow UP	9,87,000	9,72,000	0.00	9,72,000	Agency-Asha Surve S.S.Engicon P. K. Associates
11.	Initiatives in Sreepalayam, Coimbatore	Hygiene & Sanitation	Coimbatore Tamil Nadu	10,00,000	8,30,000	0.00	8,30,000	Agency Jayapathy UIIC
12.	Fort Night School	Education	Mumbai Maharashtra	35,438	35,438	0.00	35,438	Agency Sapphire
13.	Sulabh Intl Social Organisation	Hygiene & Sanitation	Mumbai Pan India	24,46,000	12,23,000	0.00	12,23,000	Agency Sulabh
	Total ₹			18,08,87,438	17,94,79,438	0.00	17,94,79,438	

6. Reasons for the unspent amount.

This was the first year wherein CSR was made mandatory for GIC Re. Some of the proposals received were not compliant with our CSR thrust areas.

7. Responsibility Statement of the CSR Committee:

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

A.K. Roy
(Chairman-cum-Managing Director)
(Chairman CSR Committee)

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2015

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

To,
 The Members,
 General Insurance Corporation Of India
 Mumbai.
 Sirs,

1. I/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 me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my/our opinion thereon.
2. Based on my/our verification of the General Insurance Corporation of India'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, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31.03.2015 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.
3. The Company is not having any of its securities listed on any stock exchange and therefore the SEBI Act, 1992 and the various regulations made there under are not applicable in its case.

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by the General Insurance Corporation of India for the financial year ended on 31.03.2015 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 Borrowings;
- (v) Insurance Act, 1938
- (vi) IRDA Act, 1999 and Regulations issued there under

- (vii) General Insurance Business Nationalization Act 1972 and schemes framed there under.

In particular, I have relied on Quarterly Regulatory Compliance Reports and Statutory Compliance Reports and Annual Corporate Governance Report submitted by Departmental Heads to the Board of Directors through the Company Secretary of the Company.

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 minutes.

I/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.

I/we further report that during the audit period the company has not gone through any of the following events:

- (i) Public / Right / Preferential issue of shares / debentures / sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

However, all the shares of Saxum Reinsurance Limited of South Africa were acquired after taking approvals of Financial Services Board, South Africa, Companies and Intellectual Property Commission, South Africa and Reserve Bank of India and that company is now named as GIC RE SOUTH AFRICA LTD.

Place: Bhopal

Date: 15.05.2015

M.M.CHAWLA

For M.M.CHAWLA AND ASSOCIATES
 /FCS 67, C P 716

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2015

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sl. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	India International Ins. Pte Ltd 64 Cecil Street #04-#05 IOB Building Singapore 049711		ASSOCIATE	20%	Section 2(6) of Companies Act 2013
2.	GIC Bhutan Re Ltd Post Box No 1679, Near Thimphu Thromde Office, Thimphu, BHUTAN		ASSOCIATE	26%	Section 2(6) of Companies Act 2013
3.	Agriculture Insurance Company India Ltd 13th Floor, Ambadeep Building, 14, Kasturba Gandhi Marg, New Delhi - 110 001, INDIA	CIN: U74999DL2002 PLC118123	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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**All Shares are in physical format only**

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
A. Promoters							
1) Indian							
a) Individual/HUF	0	0	0	0	0	0	0
b) Central Govt	4,30,00,000	4,30,00,000	100%	4,30,00,000	4,30,00,000	100%	0
c) State Govt (s)	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0
f) Any Other...	0	0	0	0	0	0	0
Sub-total (A) (1):-							
(2) Foreign							
a) NRIs - Individuals	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0
Sub-total (A) (2)	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	0	0	0	0	0	0
B. Public Shareholding							
1. Institutions							
a) Mutual Funds	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0
h) Foreign Venture	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0
2. Non-Institutions							
a) Bodies Corp.							
i) Indian	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0
b) Individuals							
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0
Total Public Shareholding (B) = (B)(1)+ (B)(2)	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0
Grand Total (A + B + C)	4,30,00,000	4,30,00,000	100%	4,30,00,000	4,30,00,000	100%	0%

I Category-wise Share Holding**(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	4,30,00,000	100%	0 %	4,30,00,000	100%	0 %	0%
	Total	4,30,00,000	100%	0 %	4,30,00,000	100%	0 %	0%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)**No change in Promoters' shareholding during the year.**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	At the beginning of the year	4,30,00,000	100%	4,30,00,000	100%
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat Equity etc.):	No change	No change	No change	No change
3.	At the End of the year	4,30,00,000	100%	4,30,00,000	100%

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	At the beginning of the year	NA		NA	
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat Equity etc.):	NA		NA	
3.	At the End of the year	NA		NA	

(v) Shareholding of Directors and Key Managerial Personnel**Shareholding of Mr. Ashok Kumar Roy (Chairman and Managing Director) (On behalf of President of India)**

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

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

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

Shareholding of Mr. Sushobhan Sarker (Director)* (On behalf of President of India)***Ceased as Director w.e.f. 31.05.2014**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	At the beginning of the year	4	0.0000093	4	0.0000093
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat Equity etc.):	4 4 Shares are transferred to Shri G. Srinivasan on 16th July 2014	0.0000093	4	0.0000093
3.	At the End of the year	0	0	0	0

Shareholding of Mr. Gopalan Srinivasan (Nominee Director)* (On behalf of President of India)*** Appointed as Director w.e.f. 08.05.14**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	At the beginning of the year	0	0	0	0
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat Equity etc.):	4 Shares transferred from Shri Sushobhan Sarker on 16th July 2014	0.0000093	4	0.0000093
3.	At the End of the year	4	0.0000093	4	0.0000093

Shareholding of Mr. S. Yugandhara Rao (Executive Director)* (On behalf of President of India)***Ceased as Director w.e.f. 08.08.2014**

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

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

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

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Shri A.K.Roy	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	25,93,730/- 1,54,800/- 0	25,93,730/- 1,54,800/- 0
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as % of profit - others, specify	0	0
5.	Others, please specify	0	0
	Total (A)	27,48,530/-	27,48,530/-
	Ceiling as per the Act	Not Applicable	

EXTRACT OF ANNUAL RETURN

Annexure - III

Remuneration to other directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Smt. Snehlata Shrivastava	Shri Arun Tiwari	Shri G. Srinivasan	Shri D.R. Mohnot	Shri. Sushobhan Sarker *	
	3. Independent Directors						
	• Fee for attending board / committee meetings	0	0	0	90,000/-	0	
	• Commission	0	0	0	0	0	
	• Others, please specify	0	0	0	0	0	
	Total (1)	0	0	0	90,000/-	0	
	4. Other Non-Executive Directors						
	• Fee for attending board / committee meetings	0	0	0	0	0	
	• Commission	0	0	0	0	0	
	• Others, please specify	0	0	0	0	0	
	Total (2)	0	0	0	0	0	
	Total (B)=(1+2)	0	0	0	90,000/-	0	
	Total Managerial Remuneration	0	0	0	90,000/-	0	
	Overall Ceiling as per the Act	Not Applicable					

* Ceased as Director w.e.f. 31.05.14

Remuneration to other directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri Bimalendu Chakrabarti**	Shri Sanjiv Kapoor#	Shri Sunil Gupta##	
	3. Independent Directors				
	• Fee for attending board / committee meetings	1,00,000/-	35,000/-	25,000/-	2,50,000/-
	• Commission	0	0	0	0
	• Others, please specify	0	0	0	0
	Total (1)	1,00,000/-	35,000/-	25,000/-	2,50,000/-
	4. Other Non-Executive Directors				
	• Fee for attending board / committee meetings	0	0	0	0
	• Commission	0	0	0	0
	• Others, please specify	0	0	0	0
	Total (2)	0	0	0	0
	Total (B)=(1+2)	1,00,000/-	35,000/-	25,000/-	2,50,000/-
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	Not Applicable			

** Ceased as Director w.e.f. 12.01.15 #ceased as Director w.e.f. 25.09.14, ## Ceased as Director w.e.f 30.10.14

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,93,730/-	11,85,900/-	14,38,940/-	52,18,570/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,54,800/-	5,33,490/-	26,600/-	7,14,890/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify	0	0	0	0
5.	Others, please specify	0	0	0	0
	Total	27,48,530/-	17,19,390/-	14,65,540/-	59,33,460/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

CORPORATE GOVERNANCE REPORT

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

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

Board of Directors:

GIC Re is governed by a Board of Directors under the chairmanship of Chairman-cum-Managing Director. The Board of GIC Re has five directors which includes three 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

Changes in the Composition of the Board during the year:

Shri Gopalan Srinivasan, Chairman, GIPSA and Chairman-cum-Managing Director, New India Assurance Co. Ltd. was appointed as Director on the Board of the Corporation w.e.f. 08.05.2014.

Shri Sushobhan Sarker, Managing Director, Life Insurance Corporation ceased to be a Director on the Board of the Corporation w.e.f. 31.05.2014.

Shri S. Yugandhar Rao, Director and General Manager ceased to be a Director on the Board of the Corporation w.e.f. 08.08.2014.

Shri Sanjiv Kapoor ceased to be a Director on the Board of the Corporation w.e.f. 25.09.2014.

Dr. Sunil Kumar Gupta ceased to be a Director on the Board of the Corporation w.e.f. 30.10.2014.

Shri Bimalendu Chakrabarti ceased to be a Director on the Board of the Corporation w.e.f. 12.01.2015.

The Directors wish to place on record the co-operation received from Shri Sushobhan Sarker, Shri S. Yugandhar Rao, Shri Sanjiv Kapoor, Dr. Sunil Kumar Gupta & Shri Bimalendu Chakrabarti during their tenure as Directors on the Board and also for their valuable contribution to the cause of the General Insurance Industry.

The Board of Directors as on 31st March 2015 consists of:

1. Shri A.K. Roy	Chairman-cum-Managing Director
2. Smt. Snehlata Shrivastava	Government Nominee
3. Shri Arun Tiwari	Director
4. Shri Gopalan Srinivasan	Director
5. Shri Doulat Raj Mohnot	Director

The statement showing the Board Meetings attended by

**STATEMENT SHOWING NUMBER OF BOARD MEETINGS ATTENDED BY THE DIRECTORS
DURING THE PERIOD APRIL 2014 TO MARCH 2015**

Name of Director	Dates of Meetings				
	13.06.14	18.06.14	10.09.14	27.11.14	18.02.15
Shri A.K. Roy	Present	Present	Present	Present	Present
Smt. Snehlata Shrivastava	Present	Present	Present	Present	Present
Shri. Arun Tiwari	Present	Absent	Present	Absent	Present
Shri G Srinivasan	Present	Present	Present	Absent	Absent
Shri Sushobhan Sarker	Ceased *				
Shri Bimalendu Chakrabarti	Present	Present	Present	Present	Ceased ##
Shri Sanjiv Kapoor	Present	Absent	Present	Ceased ***	
Dr. Sunil Gupta	Present	Present	Present	Ceased #	
Shri D.R. Mohnot	Present	Present	Present	Present	Present
Shri S. Yugandhara Rao	Present	Present	Ceased **		

(*) Ceased as Director w.e.f. 31.05.14(##) Ceased as Director w.e.f. 30.10.14 (**) Ceased as Director w.e.f. 08.08.14(##) Ceased as Director w.e.f. 12.01.15
(***) Ceased as Director w.e.f. 25.09.14

the Directors are reflected in the table given below:

COMMITTEE OF THE BOARD

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

AUDIT COMMITTEE

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

- 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 2014-15.

1. Smt. Snehlata Shrivastava
2. Shri Sushoban Sarker (up to 31.05.2014)
3. Shri B. Chakrabarti (up to 12.01.2015)
4. Shri Sanjiv Kapoor (up to 25.09.2014)
5. Shri Sunil Gupta (up to 30.10.2014)
6. Shri G. Srinivasan(w.e.f. 24.04.2014)
7. Shri Doulat Raj Mohnot.

**STATEMENT SHOWING NUMBER OF AUDIT COMMITTEE MEETINGS ATTENDED BY
THE MEMBERS DURING THE PERIOD APRIL 2014 TO MARCH 2015**

Name of Member	Dates of Meetings					
	13.06.14	18.06.14	09.09.14	10.09.14	27.11.14	18.02.15
Smt. Snehlata Shrivastava	Present	Present	Present	Present	Present	Present
Shri B. Chakrabarti	Present	Present	Present	Present	Present	Ceased ***
Shri Sanjiv Kapoor	Present	Absent	Present	Present	Ceased *	
Dr. Sunil Gupta	Present	Present	Absent	Absent	Ceased **	
Shri Doulat Raj Mohnot	Present	Present	Present	Present	Present	Present

(*) Ceased as Director w.e.f. 25.09.14(***) Ceased as Director w.e.f. 12.01.15 (**) Ceased as Director w.e.f. 30.10.14

CORPORATE GOVERNANCE REPORT

INVESTMENT COMMITTEE

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

" The Committee lays down annual investment policy and provides oversight to investment operations of the Corporation.

" The policy focuses on a prudential Asset Liability Management (ALM) supported by robust internal control systems. The investment policy and operational framework inter alia, encompass aspects concerning liquidity for smooth operations, compliance with prudential regulatory norms on investments, risk management/mitigation strategies to ensure commensurate yield on investments and above all

protection of policyholders' funds.

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

The members of the Investment committee of the Board for the financial year 2014-15 were:

1. Shri A.K. Roy
2. Smt. Snehlata Shrivastava
3. Shri Sushoban Sarker (up to 31.05.2014)
4. Shri B. Chakrabarti (up to 12.01.2015)
5. Shri G. Srinivasan (w.e.f. 08.05.2014)
6. Shri. S. Yugandhara Rao (up to 08.08.2014)
7. Shri A.K. Garg, Appointed Actuary
8. Shri N. Mohan, CIO
9. Smt. Alice G. Vaidyan CFO (w.e.f. 13.06.2014)

**STATEMENT SHOWING NUMBER OF INVESTMENT COMMITTEE MEETINGS
ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2014 TO MARCH 2015**

Name of Member	Date of Meetings			
	13.06.14	09.09.14	27.11.14	18.02.15
Shri A.K. Roy	Present	Present	Present	Present
Smt. Snehlata Shrivastava	Present	Present	Absent	Present
Shri G Srinivasan	Present*	Present	Absent	Absent
Shri B. Chakrabarti	Present	Present	Present	Ceased ***
Shri N. Mohan (CIO)	Present	Present	Present	Present
Shri S. Yugandhara Rao	Present	Ceased**		
Shri A.K. Garg,	Present	Present	Present	Present
Smt. Alice G. Vaidyan (CFO)	Present	Present	Present	Present

(*)Appointed as member w.e.f. 08.05.14 (**) Ceased as Director w.e.f 08.08.14
(***)Ceased as Director w.e.f 12.01.15

REMUNERATION COMMITTEE

The Corporation has a Remuneration Committee of the Board of Directors with the following Members for the financial year 2014-15:

1. Smt. Snehlata Shrivastava
2. Shri Sushoban Sarker (up to 31.05.2014)
3. Dr. Sunil Gupta (up to 30.10.2014)
4. Shri Arun Tiwari (w.e.f. 24.04.2015)
5. Shri Doulat Raj Mohnot

**STATEMENT SHOWING NUMBER OF REMUNERATION COMMITTEE MEETINGS
ATTENDED BY THE MEMBERS DURING THE PERIOD APRIL 2014 TO MARCH 2015**

Name of Directors	Date of Meeting
	18.02.15
Smt. Snehlata Shrivastava	Present
Shri Sushobhan Sarker	Ceased*
Dr. Sunil Gupta	Ceased **
Shri Doulat Raj Mohnot	Present

(*) Ceased w.e.f. 31.05.14 (**) Ceased w.e.f. 30.10.14

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 3 General Managers and a Chief Risk Officer (CRO).

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

matters such as corporate strategy, mergers and acquisitions and related matters.

The Corporation Enterprise Risk Management Committee of the Board consists of the following members for the financial year 2014-15.

1. Shri A.K. Roy
2. Smt. Snehlata Shrivastava
3. Shri Sushoban Sarker (up to 31.05.2014)
4. Shri B. Chakrabarti (up to 12.01.2015).
5. Shri G. Srinivasan (w.e.f. 08.05.2014)

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

Shri N. Mohan, General Manager

Smt. Alice G. Vaidyan, General Manager

Shri G.C. Gaylong, 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 2014 TO MARCH 2015**

Name of Member	Date of Meetings			
	13.06.14	09.09.14	27.11.14	18.02.15
Shri A.K. Roy	Present	Present	Present	Present
Smt. Snehlata Shrivastava	Present	Present	Present	Present
Shri Sushobhan Sarker	Ceased*			
Shri G Srinivasan	Present**	Present	Absent	Absent
Shri B. Chakrabarti	Present	Present	Present	Ceased ***

(*) Ceased w.e.f. 31.05.14 (**) Appointed as member w.e.f. 08.05.14 (***) Ceased as Director w.e.f. 12.01.15

ETHICS COMMITTEE

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

The members of the Ethics Committee (Board) for the financial year 2014-15 were:

1. Smt. Snehlata Shrivastava
2. Shri Sushoban Sarker (up to 31.05.2014)
3. Shri G. Srinivasan
4. Shri Sanjiv Kapoor (up to 25.09.2014)

The members of the Ethics Committee (Management) are:

1. Shri N. Mohan, General Manager
2. Shri Y. Ramulu, General Manager
3. Smt. Suchita Gupta, Assistant General Manager

CORPORATE GOVERNANCE REPORT

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 2014-15 were:

1. Shri A.K. Roy
2. Smt. Snehlata Shrivastava
3. Shri Doulat Raj Mohnot (w.e.f. 23.01.2015)
4. Shri Sushoban Sarker (up to 31.05.2014)
5. Shri B. Chakrabarti (up to 12.01.2015)

Name of Member	Date of Meetings		
	09.09.14	27.11.14	18.02.15
Shri A.K. Roy	Present	Present	Present
Smt. Snehlata Shrivastava	Present	Present	Present
Shri Sushobhan Sarker	Ceased*		
Shri B. Chakrabarti	Present	Present	Ceased **
Shri D.R. Mohnot			Present***

(*) Ceased w.e.f. 31.05.14 (**) Ceased w.e.f. 12.01.15 (***) Appointed as member w.e.f. 23.01.15

INDEPENDENT DIRECTORS MEETING:

As per section 149(8) of Companies Act 2013, Corporation had conducted 1st Independent Directors Meeting which was held on 23rd September 2014 at Kolkata.

Following Independent Directors attended the meeting.

Mr. B. Chakrabarti

Mr. Sanjiv Kapoor

Mr. Doulat Raj Mohnot

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.

- | | |
|--|---|
| 1. Chairman & Managing Director : Mr. A.K. Roy | 3. Company Secretary : Mrs. Suchita Gupta |
| 2. Chief Executive Officer : Mr. A.K. Roy | 4. Chief Financial Officer : Mrs. Alice G. Vaidyan (w.e.f 13.06.2014) |

As per IRDA Act 1999, following are the Key persons of the Corporation.

- | | |
|---|--|
| 1. Chief Executive Officer | : Mr. A.K. Roy |
| 2. Chief Marketing Officer | : Mr. G.C. Gaylong (w.e.f. 26.06.2014) |
| | : Mr. P Venkatramaiah (up to 29.05.2014) |
| 3. Appointed Actuary
(General Insurance) | : Mr. Ashok K Garg |
| (Life Insurance) | : Mrs. Padmaja R |
| 4. Chief Investment Officer | : Mr. N Mohan |
| 5. Chief of Internal Audit | : Mr. G.C. Gaylong (w.e.f. 26.06.2014) |
| | : Mr. P Venkatramaiah (up to 29.05.2014) |
| 6. Chief Finance Officer | : Mrs. Alice G. Vaidyan (w.e.f 25.07.2014) |
| | : Mr. G.C. Gaylong (from 26.06.2014 to 24.07.2014) |
| | : Mr. P Venkatramaiah (up to 29.05.2014) |
| 7. Chief Risk Officer | : Mrs. Madhulika Bhasker |
| 8. Chief Compliance Officer | : Mrs. Suchita Gupta |

CERTIFICATE OF COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

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

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. It is an attempt to align private enterprises to the goal of sustainable global development by providing them with a more comprehensive set of working objectives than just profit alone. The perspective taken is that for an organization to be sustainable, it must be financially secure, minimize or eliminate its negative environmental impacts and act in conformity with societal expectations.

GIC Re's CSR Policy strives to achieve a balance between the expectations of the stakeholders and its social obligation as a socially responsible corporate.

VISION STATEMENT

To strive to transform India into a risk- aware society from being a risk-averse society

MISSION

To achieve our vision by integrating social, environmental and health concerns of the Indian society into Corporation's overall CSR policy and programmes.

GIC Re's CSR Policy would strive to achieve a balance between the expectations of the stakeholder and its social obligation as a socially responsible corporate.

THRUST AREAS

The thrust of CSR activities is on

1. capacity building,
2. empowerment of communities,
3. inclusive socio-economic growth, environment protection,
4. promotion of green and energy efficient technologies,
5. development of backward regions, and
6. up-liftment of the marginalized and under-privileged sections of the society

Section 135 of the Companies Act 2013 has made CSR as a mandatory provision for companies to add a sense of responsibility and contribution among corporates. Every Company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more OR a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an Independent Director.

The Corporation using the capabilities and capacities of NGOs either directly or through GIPSA Companies and external well reputed agencies for executing the chosen Project as mentioned in the thrust areas are as under:-

- Focus on skill development and infrastructural development for the benefit of the marginalised and under privileged sections of the local communities and also in the backward regions to ensure employment generation.
- Focus on promotion of disaster management capabilities of society.
- Work on environmental sustainability and projects for creation of awareness of risk management, water conservation and biodiversity conservation.
- Reduction of our carbon footsteps through energy efficient and renewable energy technologies.
- Issuance of policies (Personal Accident/ Medi claim / Householder/ Cattle Insurance/ Crop Insurance, etc.) through GIPSA Companies.
- Institution of Scholarships through NIA for the PGDM students.
- Contribution towards national calamities (Chief Minister Relief Fund)

Employee volunteering is a powerful tool through which we as a company express our 'commitment' towards social issues. It's a powerful tool which gives an opportunity to employees to contribute in their areas of strength for the betterment of society. Also a process of orienting employees with the 'Haves & Have not's divide' that exist in society. This process of volunteering is a silent transformation within an organizations culture, towards positivity and sharing.

1. **Contribution to Chief Minister `Relief Fund for the people affected by Cyclone Hudhud`.**
GIC Re donated an amount of ₹ 1.00 crore under CSR activity for rehabilitation of the victims of Cyclone Hudhud.
2. **Contribution to Chief Minister `Relief Fund for the Flood Affected People of Jammu & Kashmir` under CSR Scheme**
GIC Re has contributed an amount of ₹ 1.00 crore towards Chief Minister `(Jammu & Kashmir) Relief Fund`.
3. **Contribution to Swachhh Vidyalaya Campaign Scheme**

CORPORATE SOCIAL RESPONSIBILITY REPORT

- GIC Re has donated an amount of ₹ 5.00 crore under CSR activity for Swachchh Vidyalaya Campaign initiated by Hon'ble Prime Minister of India Shri Narendra Modi.
4. **GIC Re Scholarship Scheme**
One of the thrust areas under CSR activity as per our policy was providing Scholarships to students of National Insurance Academy (NIA) who are enrolled every year in the PGDM course. The approximate cost of the PGDM course for the academic session 2014 – 2015 is ₹ 9.18 lakhs for the entire duration. Our scholarship amount would cover 50% of the course fees charged from the student by NIA for his academic session. The scheme to be called "GIC Re Scholarship Scheme" provides 5 such scholarships.
 5. **JALDOOT**
GIC Re has entrusted the task for providing potable drinking water to some of the villages to The Science and Technology Park (SCITECH Park) Pune. SCITECH Park identified the village SUDUMBARE in Maval Taluka, Pune as a pilot project for implementation of this project.

The people of Sudumbare have benefitted in following ways:
 - safe drinking water at the doorstep
 - water borne diseases would be prevented
 - Generation of peripheral activities / employment generation for people who will maintain the filtration plant.
 - Improved productivity
 - Employment generation and skill development
 6. **Inter NGO Sports Meet**
Inter NGO Sports Day – A sports day for underprivileged children, the Inter NGO Sports Meet was organized by Concern India Foundation and supported by GIC Re on 7th December, 2014 at Priyadarshini Park, Napeansea Road, Mumbai.

About 600 underprivileged children from 21 different NGOs in and around Mumbai had participated.
 7. **School bags for night school students**
Around 50 school bags/ satchels were donated to the students of Bombay Fort Night School on 21st January, 2015. All the students do part time / full time work as canteen boys across various offices in South Mumbai and attend night school.
 8. **Village adoption Lucknow**
In association with United India Insurance Company, GIC has adopted 2 villages -One in Lucknow and the other in Coimbatore. In the village Nezabehari Panchayat Mahmudnagar, Malihanad, district Lucknow we have set up a community hall, toilet blocks, pulia, street lights and hand pumps. As a part of micro insurance, a wide number of mediclaim and personal accident cover policies were distributed to the villages of Nezammbahari. Almost 200 such micro insurance policies were issued through UIIC, the premium amount being borne by GIC Re. 50 solar lamps were also distributed to the school children.
 9. **Village adoption- Seerapalayam, Madhukkarai, Coimbatore.**
The village adopted was Seerapalayam in Madhukkarai Union, Coimbatore District. The village having a population of 5000 people, almost 40% of the villagers are facing the problem of lack of toilet facility. Most of the village folk is employed as labourers. GIC Re has built 100 individual toilets at a cost of ₹ 10.00 lakhs.
 10. **CPAA**
Early Detection Screening for Cancer- Medical Camps 6 sessions

Cancer Patients Aid Association (CPAA) is an NGO working for the last 45 years in the field of Cancer Awareness and other related activity. GIC Re conducted these medical camps and donated an amount of ₹ 2,40,000/- for all 6 camps.

CPAA- Tempo Traveller
GIC Re has donated the capital cost of ₹ 9,73,178/- for purchase of a 13-seater Traveller to be used by CPAA for providing free transport to the cancer patients.
 11. **Bhagwan Mahaveer Viklang Sahayata Samiti, Jaipur**
M/s Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS) helps all categories of disabled, especially from the poorer section of the society, who remain deprived of limbs, aids and applications due to unaffordable health care systems. GIC Re has donated a total amount of ₹ 25 lakhs to BMVSS for furthering these activities.



[Stable]

in times of uncertainties

GIC Re
40 Glorious Years
1972-2012

YORKE/A4/JAN 2014/005

- Total assets: US\$ 12.5 billion
- Global Ranking (2014):
 - 15th among Top 50 Reinsurance Groups (A.M. Best)
 - 17th among Top 40 Reinsurance Groups (S&P)

- Net worth: US\$ 6.62 billion
 - Includes US\$ 4.53 billion on fair value change account
- Ratings:
 - Financial Strength: A-(Excellent) by A.M. Best Company
 - Claims Paying Ability: "AAA (In)" by CARE

General Insurance Corporation of India

Global Reinsurance Solutions

Global Footprint

- Subsidiary: GIC Re SA Limited, Johannesburg, South Africa
- Joint Venture: Kenya, Singapore, Bhutan
- Branches: Dubai, London, Kuala Lumpur • Representative Office: Moscow

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC ENVIROMENT

For the first time, India is leading the World Bank's growth chart of major economies. India's growth rate in 2015 is poised to pip China's, which is likely to grow at 7.1 percent. Falling crude oil prices have curtailed the risks for the Indian economy, as the country meet its oil needs significantly from imports. Further, raising confidence levels by reforms initiated by the new government that assumed office last year are expected to boost India's economic growth and gross domestic product (GDP) this year.

In 2014-15, India's GDP growth increased to 7.3 per cent as against 6.9 per cent recorded in 2013-14. The economy is expected to grow by 8.1-8.5 per cent in 2015-16. India's economy will surpass \$3 trillion mark in less than five years. India is presently the third largest economy in Asia after China and Japan.

On the back of ongoing reforms and stress on manufacturing sector as part of the 'Make in India' drive, India can look for much bigger share in global exports, the global economic woes notwithstanding. However, weakness in infrastructure is one of the key factors holding back the India's economic growth potential. Significant investment in infrastructure is required, not least to meet the increasing demand due to growing incomes and populations together with the requirements of rapid urbanisation.

On the whole there has been significant improvement in India's macroeconomic environment and going forward, our economic performance is expected to be better. External vulnerability has reduced and progress has been made with regard to fiscal consolidation. While foreign portfolio flows to India have been strong during the past year, unexpected changes in global monetary policies may lead to slowdown/reversal of such flows and this may have implications for some sections of the Indian financial markets. India is however, better prepared to deal with such volatilities.

Indian economy also needs urgent focus in the wake of frequent episodes of weather related calamities and their impact on the society at large. The expected shift in demography in coming decades also calls for attention on old age income security and pension schemes, especially in the case of unorganised sector.

INDIAN INSURANCE SECTOR DEVELOPMENTS

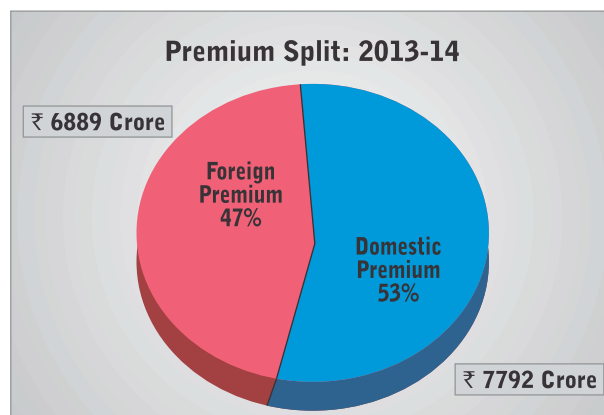
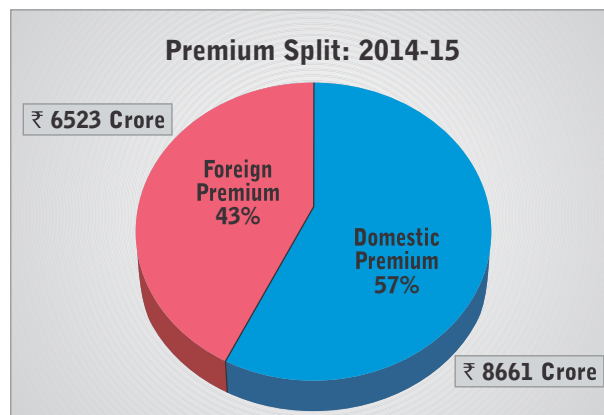
The year 2014 witnessed some landmark changes in the Indian insurance sector. One of the most notable changes

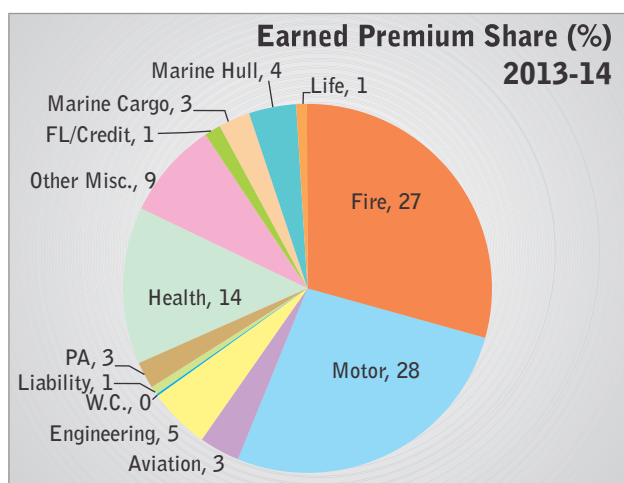
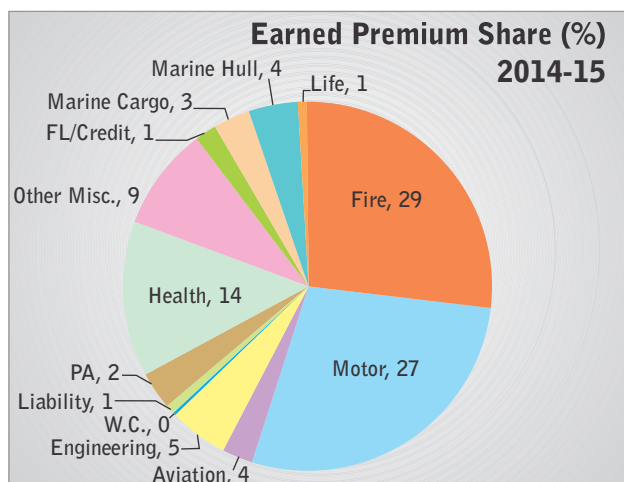
is the increase in the foreign investment cap to 49% from 26% for the sector. Increase in FDI limit will not only give the insurance sector the much needed access to foreign funds, but will also make the sector more competitive and open for growth. Access to international best practices and entry of mature players in the industry will help in the strategic development of the sector.

Non-life insurance premiums in India again grew in double digits in 2014-15 registering a growth of around 10 per cent. The sector is expected to witness strong growth in premium owing to solid economic performance and favourable government policies. With pro-growth structural reforms, including increased spending on infrastructure, is sure to boost demand for non-life insurance products.

Life insurance premium growth also improved from 2013 but remained weak during 2014. However, the growth outlook for life premiums remains favourable with the hike in the FDI limit in the sector from 26 per cent to 49 per cent. This is bound to lead to further changes in the way the industry conducts its business and engages with its customers. It is expected to stimulate the market and also boost consumer confidence in insurers.

INTERNATIONAL AND DOMESTIC BUSINESS COMPOSITION



EARNED PREMIUM BREAK-UP**GIC'S BUSINESS PERFORMANCE**

The Corporation's gross premium income during the year 2014-15 is ₹ 15184 crore and the income from investments was ₹ 4181.77 crore. Underwriting results show an overall loss of ₹ 1394 crore in 2014-15 compared to an underwriting loss of ₹ 887 crore in the previous year. The ratio of total business expenses to the earned Premium i.e. Combined Ratio stood at 110.3%. The Solvency margin of the Corporation as on 31st March 2015 was 3.04.

**CLASS WISE PERFORMANCE
FIRE:**

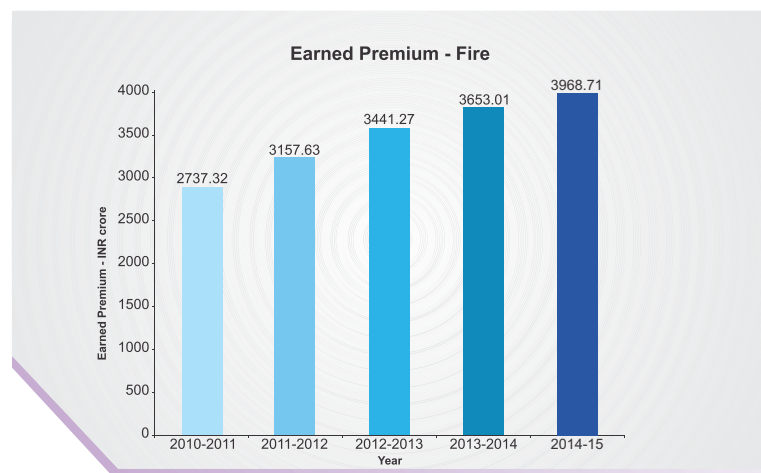
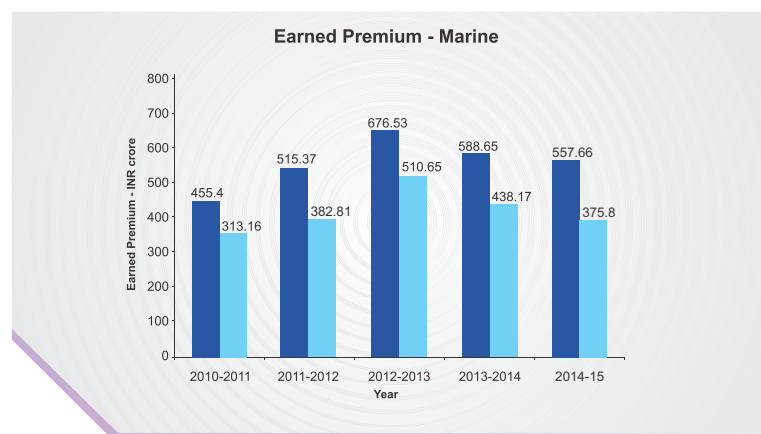
Fire business earned premium for the year was INR 3968.71 crore as compared to INR 3653.01 crore in the previous year. GIC Re's domestic premium recorded a growth of 6.70% with INR 1041.93 crore compared to the INR 976.50 crore last year, as a result of more participation in the treaties of Domestic companies.

GIC Re's foreign inward premium grew by 9.35% (INR 2926.78 crore from INR 2676.49 crore). The growth

was largely due to the contribution made by GIC HO and also the three foreign branches, giving GIC Re's property book a global spread.

Incurred claims stood at INR 2653.89 crore compared to the INR 3735.74 crore last year which is a decrease of almost 29 %. The cat events witnessed during the year in India were Hudhud cyclone and J & K floods.

The Fire Portfolio made an underwriting profit of INR 273.86 crore compared to the loss of INR 822.67 crore incurred last year. The combined ratio for fire also stood at 93.1% as against the 122.5% for last year.

**MARINE HULL & MACHINERY**

MARINE HULL **MARINE CARGO**

Marine Hull business of GIC Re has shown a moderate growth of 7.90% in premium income this financial year over the previous year. The premium growth of this year can be attributed to addition of few new treaties in the hull portfolio and participation of GIC Re in some new line of business. Despite the growth, the class has suffered set back by the negative result this year in line with the

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

results of world hull market. This aberration in results came from development of old losses from foreign treaty accounts, Hudhud loss and one major domestic hull loss. The net premium income this year stood at ₹ 593.48 crore as compared to ₹ 558.66 crore last year. A growth of 6.23%, irrespective of selective and quality underwriting by the department.

The growth of premium volume despite the increased capacity of domestic players, competitive pricing and moderate economic recession and soft Reinsurance market is one plus point of last year. The moderate growth is possible due to GIC Re Head Office registering a premium growth of around 27%, and in the face of substantial de-growth from all the three branch offices, has somewhat managed to maintain the momentum. The corrective measures to improve the rates and deductibles in the domestic market is continued and are implemented during this year. The other measures like imposition of loss corridor/loss participation clause in loss making treaties in both domestic & foreign treaties would continue in the coming year.

As stated above, two major domestic loss events, one Hudhud loss and the other loss resulting from grounding of MV Kiran on 15.01.2015 with a gross loss figure of ₹ 73.25 Crore, affected the results of the portfolio this financial year. The losses from Hudhud mainly came through obligatory, hull pool & proportional arrangements. The increased foreign treaty loss figures more precisely from proportional treaty arrangements, increased IBNR provisions affected the results of head office and branch offices.

GIC Re continues to administer the Hull War risk scheme, Marine Hull pool, monitor the rates and terms and tries to make it more attractive in line with London War risk scheme. GIC Re is looking into expansion of the business with foray into new areas and writing new products like P&I slips. The incidence of Piracy & hijack has shown marked improvement in the Arabian ocean and Gulf of Aden. However, the Joint Hull Committee, London yet to remove the above notified areas from excluded zone.

MARINE CARGO

Cargo premiums continue to be under pressure following the general economic slow-down and substantial capacity further driving down prices. GIC Re's overall cargo premium for 2014-15 declined by 9% over 2013-14.

Whilst GIC Re has maintained the domestic premium level same as last year, the decline has been more pronounced on the foreign business. New regulatory requirements in China and Nigeria has resulted in GIC Re not getting the renewals signings on some treaty accounts. However, GIC Re continues to seek

opportunities in both existing and alternate markets, especially Russia.

The cyclone Hudhud loss affecting Marine Cargo is about ₹ 340 mln for GIC Re. A cargo risk loss has also been reported following sinking of vessel Panamax Trader. Besides other attritional losses on the direct side, coupled with IBNR provisioning has resulted in incurred loss ratio of 94.3% for the year under review as against 76.6% in the previous year.

GIC Re has put in a new protection programme for Foreign Hull & Cargo effective 1st May 2015. This programme will enable GIC Re to write international business with reinsurance protection.

The revival of the Indian economy & new policies expected to drive growth will translate in increase in Marine Cargo business. GIC Re will be looking for opportunities that these provide.

OIL AND ENERGY

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

The strategy has worked well in that off-shore oil & energy business continues to show growth albeit marginal increase of 3% over the previous year. The combined ratio for 2014-15 stands at a healthy 50%. Foreign business predominates with 69% of total energy premium, thereby reflecting GIC Re's position as a recognised capacity provider.

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

However, opportunities in markets where GIC Re has not been traditionally active like Gulf of Mexico will be explored with suitable reinsurance protection.

OTHER MISCELLANEOUS

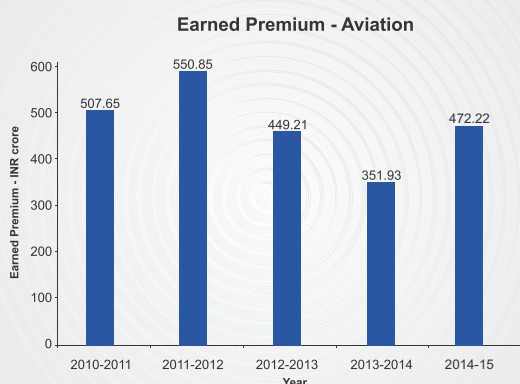
AVIATION

The year 2014 witnessed some high-profile and also unusual losses in the aviation industry. However, the safety trend continued to improve. The capacity in the aviation re/insurance market continued to be abundant keeping the competition very high. Further, the market was divided through loss experience as many re/insurers were not impacted directly by the Malaysian airline losses. The market hull and liability premium for 2014 was USD 1.4 billion and the loss total was USD 1.67

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

billion. The losses for 2014 are marginally above the five year average.

The premium for the portfolio has shown increase from ₹ 426.40 crore for 2013-14 to ₹ 686.39 crore for 2014-15 and Net premium increasing from ₹ 350.18 crore to ₹ 590.21 crore. The growth in premium is in both domestic where GIC Re has written and led new risks and international airline segment. The Earned premium for the year was ₹ 472.22 Crore for the year as against ₹ 351.93 Crore for 2013-14, an increase of 34.18%.



In 2014 Incurred loss for the year is ₹ 408 Crore. The major claims during the year were Malaysian MH17, Virgin Galactic, AM4R (space loss), SpiceJet, Golden Myanmar, Myanmar Airlines, Ethiopian Airlines, Sukhoi and Transasia.

LIABILITY

The Liability portfolio, consisting of Casualty and Financial Lines remained stable. Despite soft market, it continued to experience a growth in Liability business, mainly due to increase in awareness of the corporate sector of the liability products fuelled by change in Indian Companies Act. Obligatory cessions continued to remain at 5%. GIC Re has shown a growth of 15% over the expiry year.

No major losses have been reported for the financial year 2014-15.

(₹ in crore)

Particulars	2014-15	2013-14	Growth%
Gross Written Premium	115.34	100.52	14.74
Earned Premium	95.61	106.47	-10.20
Incurred claims	-5.75*	90.76	-106.34

*For the current financial year, Net losses paid stand at ₹ 20.56 crore while outstanding reserves of ₹ 26.31 crore were released.

AGRICULTURE REINSURANCE

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

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

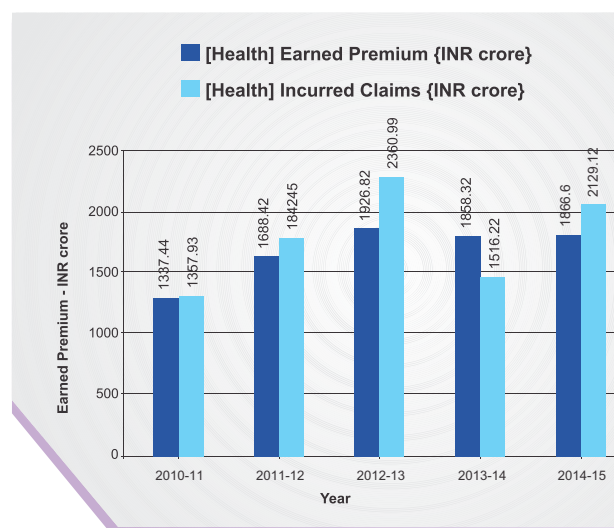
The total Reinsurance premium for Agriculture portfolio accounted in 2014-15 is ₹ 641 crore. Out of total premium in 2014-15, Indian market contributes for ₹ 616 crore while ₹ 25 crore is written from rest of the world.

HEALTH

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

(₹ in crore)

	2014-15	2013-14	Growth%
Gross Written Premium	2104.98	1645.13	27.95
Earned Premium	1866.60	1858.32	0.45
Incurred Claims	2129.12	1516.22	40.42



GIC Re's Gross Written premium and Earned Premium during the Financial Year 2014-15 are ₹ 2104.98 crore and ₹ 1866.60 crore.

Incurred claims for 2014-15 are ₹ 2129.12 crore whereas for 2013-14, it was ₹ 1516.22 crore, the growth being 40.42%.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MOTOR

The Gross / Net Motor Premium during the year 2014-15 was ₹ 3,852.29 crore as against ₹ 3,432.97 crore in corresponding previous year, registering a growth rate of 12.2 %.

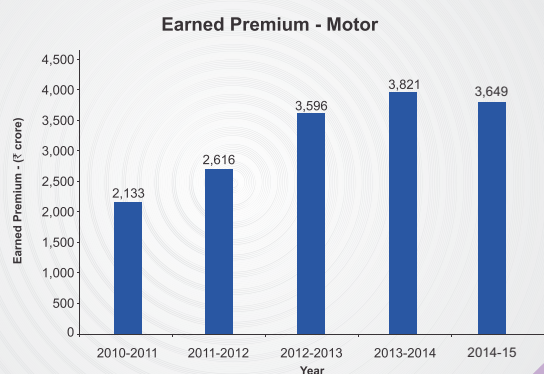
Earned premium for the year was ₹ 3,649.07 crore as compared to ₹ 3,821.24 crore in previous year, showed a marginal negative growth rate of 4.51 %. This was mainly on account of changes in UPR.

Domestic business which includes obligatory cession accounts for 78.30 % of GIC Re's Motor portfolio. It registered a growth of 18.20 % compared to previous year. This increase can be attributed to the tailor-made capacities for treaties in domestic market, provided by the motor team in order to maximize retention within the country.

Incurred claims for the year were ₹ 3,887.44 crore as compared to ₹ 2,893.00 crore in previous year, showed an increase of 34.37%. The increase is primarily due to revision in IBNR provisioning.

(₹ In crore)

	2014-15	2013-14	Growth%
Gross Written Premium	3,852.29	3,432.97	12.2
Earned Premium	3,649.07	3,821.24	-4.51
Incurred Claims	3,887.44	2,893.00	34.37



OTHER MISCELLANEOUS

Miscellaneous and PA portfolio has shown negative growth in the last year due to the switching over of proportional treaties for PA to non-Prop Treaties in 2014-15 which yields lower premium.

The Department constantly endeavors to provide sufficient capacity to cedants through treaty and facultative arrangements.

(₹ in crores)

	2014-15	2013-14	Growth%
Gross Written Premium	1326.77	1637.93	-19.00
Earned Premium	1426.38	1601.63	-10.94
Incurred Claims	1075.82	1422.95	-24.40

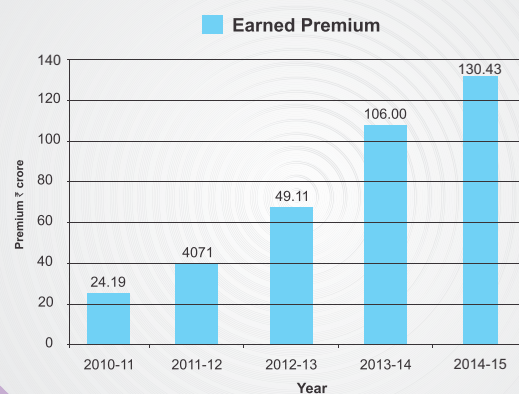
GIC Re's Gross Written premium and Earned Premium during the Financial Year 2014-15 are ₹ 1326.77 crore and ₹ 1426.38 crore respectively and its incurred claims are ₹ 1075.82 crore.

LIFE REINSURANCE

Indian Life Insurance has shown de-growth of 5.84% for new business premium for the year 2014-15, though, Private Insurers have shown growth of 18.03%, LIC has shown de-growth of 13.62%.

Life Reinsurance was declared as "Project of the year" and steps have been initiated for strengthening the department. As part of this, specialist officials such as Actuary, Underwriter, IT System Head have been recruited on five years contract basis.

Gross Premium of the Corporation has increased to ₹119.69 crore from ₹ 100.83 crore in the previous year, a growth of 18.70%. Earned premium has increased this year to ₹ 130.43 crore from ₹ 106.00 crore in the last year. Operating profit has increased to ₹ 39.51 crore from ₹ 7.09 crore.



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 reinsurers post-9/11. The Pool has thus completed twelve years of successful

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

operations. All Indian non-life insurance companies and GIC Re are members of the Pool. The Pool is applicable to insurance of terrorism risk covered under property insurance policies. The Pool continued to offer a limit of indemnity of INR 10,000 million per location for terrorism risk cover during 2013-14. Premium rates continued to remain the same as in the year 2012-13. However, w.e.f. 1st April 2014 limit of indemnity has been increased to INR 15,000 million per location and premium rates have been revised downward under the Terrorism Pool arrangement.

In order to improve the market penetration for Terrorism Risk Insurance with better marketing by Brokers /

Agents, the regulator has allowed a Brokerage of upto 5% w.e.f. 01.01.2014 for Terrorism Insurance business procured through Brokers.

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

The Pool's premium income for 2014-15 was ₹ 472.33 crore and the claims paid during 2014-15 were ₹ 2.58 crore. No major losses were reported to the Pool during 2014-15.

SEGMENTWISE CLAIMS EXPERIENCE

(₹ in crore)

		INDIAN			FOREIGN		
		Earned Premium	Incurred Claims	Incurred Claims Ratio	Earned Premium	Incurred Claims	Incurred Claims Ratio
Fire	2014-15	1041.93	758.15	73%	2926.78	1895.74	65%
Fire	2013-14	976.5	464.6	48%	2676.5	3271.07	122%
Engineering	2014-15	380.72	282.67	74%	357.8	167.99	47%
Engineering	2013-14	397.6	617.19	155%	318.8	543.51	170%
Marine	2014-15	252.03	331.51	131%	681.43	660.41	97%
Marine	2013-14	326.72	76.42	23%	700.09	553.15	79%
Misc. Other	2014-15	2599.12	2447.51	94%	1066.72	958.29	90%
Misc. Other	2013-12	2897.89	2420.17	84%	1035.51	1036.45	100%
Life	2014-15	95.75	102.70	107%	34.68	-9.43	-27%
Life	2013-14	55.82	70.59	126%	50.17	29.65	59%
Aviation	2014-15	86.83	29.80	34%	385.39	378.98	98%
Aviation	2013-14	48.73	9.69	20%	303.19	208.61	69%
Motor	2014-15	2783.97	2932.98	105%	865.10	954.46	110%
Motor	2013-14	2984.5	2079.63	70%	836.74	813.37	97%
	2014-15	7240.35	6885.32	95%	6317.90	5006.44	79%
	2013-14	7687.76	5738.29	75%	5921.00	6455.81	109%

INVESTMENT

Global economic recovery still seems to be far from being self-sustaining even as spillovers from large scale monetary accommodation in progressive economies are increasing the challenges for emerging market and emerging economies.

On the domestic front, there has been a significant improvement in the macroeconomic environment and going forward economic performance is expected to be better. However, managing expectations continues to be a challenge for policy makers as the recovery in business sentiment has not yet taken firm roots.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Indian economy is expected to grow marginally higher at 7.5% during the year compared with 7.2% in 2014 and future interest rate cuts will reinforce the spending by private sector.

Low inflation has enabled the Reserve Bank of India to cut interest rates by 50 basis points easing pressure on the private sector. Lower rates as well as the government's infrastructure, Disinvestment and Make in India programs can provide a boost to domestic-oriented industries. The Public Sector banks will play an important role and is expected to shoulder the needs of the accelerating growth in the economy.

After growing by 4.5% in FY 2013, industry accelerated to 5.9% in FY 2014, helped by a 6.8% expansion in manufacturing. These estimates may be a tad optimistic, however, as they assume manufacturing growth to have exceeded 10% in the final quarter of FY 2014. Monthly industrial production estimates indicate a more modest upturn. The production of capital goods expanded after 3 years in the red. However, consumer durables continued to decline. Improved coal production helped double the growth of electricity generation over the previous year's rate.

Growth in the gross domestic product is expected to accelerate to 7.8% in FY 2015 on improved performance in both industry and services as policy addresses structural bottlenecks and external demand improves. Growth is expected to edge up further to 8.2% in FY 2016, helped by a supportive monetary policy in 2015, as inflation continues to trend lower and by a pickup in capital expenditure.

There is a reorientation in government expenditure in 2015-16 wherein is budgeted to be higher alongside a reduction in expenditure on major subsidies, which should improve the quality of government expenditure. Fiscal consolidation over the medium term has been designed with the judicious mix of reduction in total expenditure and improvement in gross tax revenue, both, as a percentage of GDP. Government is committed to progressively pursuing subsidy reforms in a manner that will ensure efficient targeting of subsidies while also saving financial resources for investment in infrastructure and pursuit of new development programs announced by the government. Government has taken steps to remove bottlenecks for core sector growth.

The government is in process of disinvesting its holding in Public Sectors companies and may attempt to raise ₹ 70,000 Crore in the fiscal year 2015-16. Assets sale of the Public Sectors companies will ensure more production of goods and will also help in spending the amount raised on infrastructure which has remained

blocked, resulting in being one of the significant sectors with highest stressed advances by public sector banks. The exposure of Public Sector Banks to infrastructure stood at 17.5 per cent of their gross advances and was significantly higher than private sector and foreign banks. The government is focusing on resolving issues that have marred the sector's growth basically long-pending issues like pricing of gas, establishing processes and procedures for transparent auction of coal and minerals, and improving power generation and distribution. The growth in infrastructure has improved to some extent.

Over the past year, overall, there has been a significant increase in investments by FPIs in government securities and corporate bonds with a corresponding increase in utilization of limits under both the categories. FPIs based in the US accounted for a large share of assets under custody (AUC) by all FPIs. The 'search for yield' inflows may be affected when the US Federal Reserve increases rates amid possible volatility in global financial markets and 'safe haven flows', though India seems to be better prepared to deal with volatility now than it was in the past.

The outlook for industrial activity is positive. Industrial growth, which had been subdued in the past two fiscal, is now likely to gather momentum with moderately stronger global growth, improving export competitiveness and implementation of recently approved investment projects. The new Central Government's reforms focus should also act as an impetus to growth.

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

The investment portfolio of the Corporation stood at ₹ 30,694.38 crore as against ₹ 28,691.11 crore showing an increase of ₹ 2,003.27 crore representing a growth of 6.98% over the previous year. Income from investments stood at ₹ 4,181.81 crore with a mean yield on funds at 14.08%. The net non-performing assets percentage was at 0.71%

GIC Re's Reinsurance Program

The Corporation has arranged both Risk and Catastrophe Excess of Loss reinsurance, in respect of various classes of Business, for protecting its net retained Portfolios under domestic business. On large sized risks, wherever necessary, the Corporation arranges for facultative retro. CAT protection has also been arranged for select

business and territories in respect of Foreign Inward Business.

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

FUTURE OUTLOOK

During 2015, the Indian insurance sector is expected to see substantial changes. The sector is expected to witness consolidation, especially on the back of the hike in the FDI limit. The distribution infrastructure could also witness major changes. New channels could come into play thus widening the reach of insurance products.

India remains a largely under penetrated market as far as insurance is concerned, however, it is expected that with

growing awareness and financial penetration, this view will change and people will begin to appreciate the importance of insurance.

The variety of products on offer is also expected to increase in 2015. Innovation in bouquet of products, could become popular, as new companies and international practices come into vogue in the sector. On the regulatory front, IRDA could get more stringent in terms of the due diligence to be undertaken by the players, and also on aspects such as mis-selling.

Proactive policies by the regulator and the government, increasing customer awareness, making operations efficient, innovative products and bringing about customer centric products and services will help in taking the sector to the next level of growth.

MANAGEMENT REPORT

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

1. Confirms that the Registration No. 112 granted by the Authority continues to be valid.
2. Certifies that all the dues payable to the statutory authorities have been duly paid.
3. Confirms that the shareholding pattern as well as transfer of shares during the year is in accordance with the statutory or regulatory requirements.
4. Declares that the funds of the holders of policies in India are not directly or indirectly invested outside India.
5. Confirms that the required solvency margins have been maintained.
6. Certifies that the values of all the assets of the Corporation including that of Terrorism Insurance Pool business for which GIC Re is acting as Manager, have been reviewed on the date of the Balance Sheet and that in our belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings- "Loans", "Investments", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Cash" and the several items specified under "Other Accounts".
7. Confirms that the Corporation's risk exposure consists of a) Obligatory and Additional Quota Share Cessions; b) Facultative support given to Indian Insurance companies; c) The Corporation's share in Indian Insurance companies through First/Second Surplus Treaties and Excess of Loss programme; d) The Corporation's share in Market Surplus Treaties and e) Foreign Inward business accepted. The exposures are adequately protected by the Corporation's reinsurance programme for 2014-15.
8. The Corporation's overall top ten exposures are in the following countries:

United Arab Emirates, Saudi Arabia, Israel, Oman, Egypt, Kuwait, Malaysia, South Korea, Turkey, Taiwan

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

Catastrophic protection beyond the Corporation's authorized retentions have been purchased up to a limit of USD 100/125 Mln. as applicable.

The Corporation has a Reinsurance Protection Policy in place duly approved by the Board.
9. Certifies that the Corporation does not operate directly in any other country. It has its representative office at Moscow and Branch Offices at Kuala Lumpur, Dubai and London.
10. The Corporation being a reinsurance company does not settle claims directly to the insured except in the case of run off liabilities in Aviation department. The portion of the claims recoverable under the reinsurance obligations of the Corporation are settled with the reinsured through periodical accounts statements. The position of outstanding claims under the categories of Indian, Foreign Inward and Aviation Business are as disclosed in Note No. 9.6 of the Disclosures forming part of Financial Statements.
11. This is to certify that the values as shown in the balance sheet, of the investments and stocks and shares have been arrived at as stated in Significant Accounting Policies No. 7.
12. Declares that the review of asset quality and performance is as mentioned below for Loans and Investments:

LOANS

Loan Assets (including loans to employees) as on 31.3.2015 stood at ₹ 393.84 crore compared to ₹ 424.05 crore in the previous year. Out of the total loan amount of ₹ 393.84 crore, ₹ 387.00 crore are either

MANAGEMENT REPORT

secured or guaranteed by the Government bodies representing 98.26 % and the balance ₹ 6.84 crore are unsecured. Interest income from loans amounted to ₹ 38.49 crore. Standard performing assets account for ₹ 306.95 Crore and the net non-performing assets is ₹ 19.16 crore after making provision of ₹ 67.11 crore.

INVESTMENTS

The book value of the investment (including deposits) as on 31.3.2015 has increased to ₹ 30,301.51 crore from ₹ 28,241.07 crore. The realizable value of investments is at ₹ 58,102.30 crore as on 31.3.2015 showing an appreciation of 93.96 % over book cost. Income from investment including Profit on Sale amounted to ₹ 4,142.91 crore as against ₹ 3,275.02 crore in the previous year. Of the total investment of ₹ 30,301.51 crore, ₹ 11,120.39 crore are invested in Government Securities and State guaranteed Bonds. Book Value of equity shares is at ₹ 7,193.72 crore and market value stood at ₹ 35,289.00 crore showing an appreciation of ₹ 28,095.28 crore (390.55%)

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

13. Confirms that:

- i. In the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures.
- ii. The management has adopted accounting policies and applied them consistently (including those specifically required by various IRDA regulations) and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the operating profit and net profit of the company for the year.
- iii. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act,

1938/Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities have been taken.

- iv. The financial statements are prepared on a going concern basis.
 - v. The management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.
14. Certifies that no payment has been made to individuals, firms, companies and organisations in which the Directors of the Corporation are interested.

For and on behalf of the Board of Directors

A K Roy

Chairman-cum-Managing Director

Date : 30th May, 2015



आपत्काले रक्षिव्यामि
GIC Re

General Insurance Corporation of India
Global Reinsurance Solutions



YORKE/A4/JAN 2013/003

SMOOTH FLYING at all times

- Total assets: US\$ 12.5 billion
- Global Ranking (2014):
 - 15th among Top 50 Reinsurance Groups (A.M. Best)
 - 17th among Top 40 Reinsurance Groups (S&P)
- Net worth: US\$ 6.62 billion
 - Includes US\$ 4.53 billion on fair value change account
- Ratings:
 - Financial Strength: A-(Excellent) by A.M. Best Company
 - Claims Paying Ability: "AAA (In)" by CARE

General Insurance Corporation of India

Global Reinsurance Solutions

Global Footprint

- Subsidiary: GIC Re SA Limited, Johannesburg, South Africa
- Joint Venture: Kenya, Singapore, Bhutan
- Branches: Dubai, London, Kuala Lumpur • Representative Office: Moscow

GIC Re
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Years
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COMMENTS OF THE COMPTROLLER**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GENERAL INSURANCE CORPORATION OF INDIA FOR THE YEAR ENDED 31 MARCH, 2015.**

The preparation of financial statements of General Insurance Corporation of India for the year ended 31 March, 2015 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 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 these financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May, 2015.

I, on the behalf of the Comptroller and Auditor General Of India, have conducted a supplementary audit under section 143(6)(a) of the Act, of the financial statements of General Insurance Corporation of India for the year ended 31 March, 2015. 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 comment 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: 15 July 2015

AUDITORS' REPORT**To****The Members of****GENERAL INSURANCE CORPORATION OF INDIA****1. Report on Financial Statements**

We have audited the accompanying financial statements of GENERAL INSURANCE CORPORATION OF INDIA (the Corporation), which comprise the Balance sheet as at March 31, 2015, the Revenue Accounts of Fire, Miscellaneous, Marine and Life Insurance and the Profit and Loss Account and the Cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, in which are incorporated the returns of three Foreign Branches audited by branch auditors 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 are 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 (IRDA) (Preparation of Financial Statements and Auditor's Report on Insurance Companies) Regulations, 2002 and orders or direction issued by the IRDA 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 Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

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

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

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

The financial statements are prepared in accordance with the requirements of the Insurance Act, 1938, IRDA (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, 2015 and of surplus of revenue accounts

of Fire, Miscellaneous and Life business and of deficit of revenue account of Marine 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. 2(c) to the financial statement in respect of applicability of prudential norms for provision on investment in State Government Securities for the reason stated in the said note. Our opinion is not qualified in respect of this matter.

6. Other matter

We did not audit the financial statements / information of three foreign branches and one foreign representative office included in the standalone financial statements of the Corporation whose financial statements / financial information reflect total assets of ₹ 4,822.14 crore as at March 31, 2015 and total revenues of ₹ 3,106.57 crore for the year ended on that date, as considered in the standalone financial statements. The financial statements / information of these branches and representative office have been audited by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches and office, is based solely on the report of such other auditors.

Our opinion is not modified in respect of this matter.

7. Reports on Other Legal & Regulatory Requirements

- 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 IRDA Act, 1999 and the Act except for the Cash Flow Statement, (Refer Note 17) which is prepared under Indirect Method, whereas IRDA 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 IRDA.
- g. On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- 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 IRDA Regulations.
- i. Investments have been valued in accordance with the provisions of the Insurance Act, 1938 (4 of 1938) and IRDA (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 IRDA (Auditor's report) Regulations, 2002 or any order or direction issued by the IRDA in this behalf.
- k. 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 not been selected for disinvestment. Thus reporting under this direction is not applicable.
 - ii. The Corporation has disclosed the impact of waiver / write off of debts / loans / interest and equity shares in its financial statements along with the number of cases and reasons therefore. [Refer note no. 2 (f)].

AUDITORS' REPORT

- iii. The Corporation is involved in re-insurance business. Accordingly it does not hold inventories. Thus reporting under this direction is not applicable. The Corporation has not received gift from Government or any authorities.
- iv. The Corporation has disclosed the impact of pending legal / arbitration cases in its financial statements along with age-wise analysis and reasons of pendency. [Refer note no. 9.1 (c), (e) & (g)]. Expenditure on legal cases are settled after approval of the competent authority as per Financial Standing Order on case to case basis.
- v. The Corporation has followed valuation of equity investments as per the significant accounting policy no. 7.6 (a). No discrepancy has been noticed in equity valuation.
- vi. 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. 2 (g)]
- vii. Provision in respect of employee liabilities for pension fund, leave encashment, gratuity, provident fund and settlement as well as provision for IBNR are made as per actuarial valuation. Data provided by the Corporation is accurate and complete. The benchmark used by the actuary for assumptions seems to be appropriate.[Refer notes no. 14 (f) & 28]
- viii. The Corporation has given timely claim loss advices to the reinsures in respect of reinsurance ceded business. In case of reinsurance inward business, the Corporation has ensured that all information / advices received have been considered for adequate provisions in the books of the Corporation.
- ix. On receipt of advice from cedents / brokers, the Corporation has accounted for profit commission payable in respect of inward insurance acceptances and receivables in respect of outward insurance acceptances in all eligible cases.
- i. 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 no. 9.1 (c), (e) & (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 no. 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.
- m. 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 (IRDA).
- 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 ₹ 1,221 thousands as mentioned in Notes 1.1 (a) to the accounts.
- iv. The Corporation has not undertaken any transaction relating to any trust as a trustee. However, the Corporation is acting as a Manager of Terrorism pool and the investments, assets and liabilities pertaining to it are disclosed separately in accounts.
- v. No part of the assets of the policyholders' funds have been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (4 of 1938) relating to the application and investments of the policyholders' funds.

For, GBCA & ASSOCIATES
CHARTERED ACCOUNTANTS
ICAI FIRM REGN. NO. 103142W

HITESH PASAD
PARTNER
MEMBERSHIP No. 106944

For, MANUBHAI & SHAH
CHARTERED ACCOUNTANTS
ICAI FIRM REGN. NO. 106041W

KRISHNAKANT SOLANKI
PARTNER
MEMBERSHIP No. 110299

Place: Mumbai
 Date: May 30, 2015



STABILITY COMES WITH EXPERIENCE

Risk Protection for over four decades

YORKE/JUN 2015/002

- Total assets: US\$ 12.5 billion
- Global Ranking (2014):
 - 15th among Top 50 Reinsurance Groups (A.M. Best)
 - 17th among Top 40 Reinsurance Groups (S&P)

- Net worth: US\$ 6.62 billion
 - Includes US\$ 4.53 billion on fair value change account
- Ratings:
 - Financial Strength: A-(Excellent) by A.M. Best Company
 - Claims Paying Ability: "AAA (In)" by CARE

General Insurance Corporation of India

Global Reinsurance Solutions

Global Footprint

Subsidiary: GIC Re SA Limited, Johannesburg, South Africa

Joint Venture: Kenya, Singapore, Bhutan

Branches: Dubai, London, Kuala Lumpur Representative Office: Moscow

www.gicofindia.in

REVENUE ACCOUNT

REGISTRATION NO. 112
DATE OF REGISTRATION WITH IRDA: 2ND APRIL 2001

REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015 IN RESPECT OF FIRE INSURANCE BUSINESS

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	39687 111	36530 102
2. Profit on sale of Investments (Net)		4635 672	2661 786
3. Profit/-Loss on Exchange Fluctuation		-206 797	655 389
4. Interest, Dividend & Rent - Gross		6214 343	5810 184
Total (A)		50330 329	45657 461
1. Claims Incurred (Net)	2	26538 919	37356 711
2. Commission (Net)	3	9658 600	7405 659
3. Operating Expenses related to Insurance Business	4	544 148	649 825
4. Expenses relating to Investments		8 238	6 101
5. Premium Deficiency		0	0
Total (B)		36749 905	45418 296
Operating Profit /- Loss from Fire Business C = (A-B)		13580 424	239 165
APPROPRIATIONS			
Transfer to Shareholders' Account		13580 424	239 165
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		13580 424	239 165

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.

As per our report of even date

For MANUBHAI & SHAH

Chartered Accountants
Firm Regn No. 106041W

KRISHNAKANT B. SOLANKI

Partner
Membership No.: 110299

Mumbai
Dated : 30.05.2015

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

HITESH PASAD

Partner
Membership No.: 106944

A K Roy

Chairman-cum-Managing Director

Snehlata Shrivastava

Director

G. Srinivasan

Director

N Mohan

GM Finance

Suchita Gupta

Company Secretary

Arun Tiwari

Director

Doulat Raj Mohnot

Director

Alice G. Vaidyan

CFO

REGISTRATION NO. 112
DATE OF REGISTRATION WITH IRDA: 2ND APRIL 2001

**REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015
IN RESPECT OF MISCELLANEOUS INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	85256 515	88229 897
2. Profit on sale of Investments (Net)		7203 607	4646 339
3. Profit/-Loss on Exchange Fluctuation		-317 788	1509 423
4. Interest, Dividend & Rent - Gross		9656 784	10142 096
Total (A)		101799 118	104527 755
1. Claims Incurred (Net)	2	81526 948	77092 513
2. Commission (Net)	3	16123 033	15004 013
3. Operating Expenses related to Insurance Business	4	947 232	1017 156
4. Expenses relating to Investments		12 802	10 650
5. Premium Deficiency		0	0
Total (B)		98610 015	93124 332
Operating Profit /- Loss from Miscellaneous Business C = (A-B)		3189 103	11403 423
APPROPRIATIONS			
Transfer to Shareholders' Account		3189 103	11403 423
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		3189 103	11403 423

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.

As per our report of even date

For MANUBHAI & SHAH

For GBCA & ASSOCIATES

A K Roy

Chairman-cum-Managing Director

Chartered Accountants
Firm Regn No. 106041W

Chartered Accountants
Firm Regn No. 103142W

Snehlata Shrivastava

Director

Arun Tiwari

Director

KRISHNAKANT B. SOLANKI

Partner

Membership No.: 110299

HITESH PASAD

Partner

Membership No.: 106944

G. Srinivasan

Director

Doulat Raj Mohnot

Director

N Mohan

GM Finance

Alice G. Vaidyan

CFO

Mumbai

Dated : 30.05.2015

Suchita Gupta

Company Secretary

REGISTRATION NO. 112
DATE OF REGISTRATION WITH IRDA: 2ND APRIL 2001

**REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015
IN RESPECT OF MARINE INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	9334 589	10268 145
2. Profit on sale of Investments (Net)		1042 955	745 500
3. Profit/-Loss on Exchange Fluctuation		-57 147	212 944
4. Interest, Dividend & Rent - Gross		1398 132	1627 289
Total (A)		11718 529	12853 878
1. Claims Incurred (Net)	2	9919 185	5621 278
2. Commission (Net)	3	1983 459	2027 542
3. Operating Expenses related to Insurance Business	4	86 927	100 851
4. Expenses relating to Investments		1 853	1 709
5. Premium Deficiency		584 596	0
Total (B)		12576 020	7751 380
Operating Profit /- Loss from Marine Business C = (A-B)		-857 491	5102 498
APPROPRIATIONS			
Transfer to Shareholders' Account		-857 491	5102 498
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		-857 491	5102 498

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.

As per our report of even date

For MANUBHAI & SHAH

Chartered Accountants
Firm Regn No. 106041W

KRISHNAKANT B. SOLANKI

Partner
Membership No.: 110299

Mumbai

Dated : 30.05.2015

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

HITESH PASAD

Partner
Membership No.: 106944

A K Roy

Chairman-cum-Managing Director

Snehlata Shrivastava

Director

G. Srinivasan

Director

N Mohan

GM Finance

Suchita Gupta

Company Secretary

Arun Tiwari

Director

Doulat Raj Mohnot

Director

Alice G. Vaidyan

CFO

REGISTRATION NO. 112
DATE OF REGISTRATION WITH IRDA: 2ND APRIL 2001

**REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015
IN RESPECT OF LIFE INSURANCE BUSINESS**

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Premiums earned (Net)	1	1304 308	1059 988
2. Profit on sale of Investments (Net)		51 120	23 046
3. Profit/-Loss on Exchange Fluctuation		-2 588	7 728
4. Interest, Dividend & Rent - Gross		68 529	50 305
Total (A)		1421 369	1141 067
1. Claims Incurred (Net)	2	932 666	1002 440
2. Commission (Net)	3	77 432	52 652
3. Operating Expenses related to Insurance Business	4	16 049	15 054
4. Expenses relating to Investments		91	53
5. Premium Deficiency		0	0
Total (B)		1026 238	1070 199
Operating Profit /- Loss from Life Business C = (A-B)		395 131	70 868
APPROPRIATIONS			
Transfer to Shareholders' Account		395 131	70 868
Transfer to Catastrophe Reserve		0	0
Transfer to Other Reserves (to be specified)		0	0
Total (C)		395 131	70 868

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.

As per our report of even date

For MANUBHAI & SHAH

Chartered Accountants
Firm Regn No. 106041W

KRISHNAKANT B. SOLANKI

Partner
Membership No.: 110299

Mumbai

Dated : 30.05.2015

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

HITESH PASAD

Partner
Membership No.: 106944

A K Roy

Chairman-cum-Managing Director

Snehlata Shrivastava

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Company Secretary

Arun Tiwari

Director

Doulat Raj Mohnot

Director

Alice G. Vaidyan

CFO

PROFIT & LOSS ACCOUNT

REGISTRATION NO. 112
DATE OF REGISTRATION WITH IRDA: 2ND APRIL 2001

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	Schedule	Current Year (₹ '000)	Previous Year (₹ '000)
1. Operating Profit/-Loss			
(a) Fire Insurance		13580 424	239 165
(b) Marine Insurance		-857 491	5102 498
(c) Miscellaneous Insurance		3189 103	11403 423
(d) Life Insurance		395 131	70 868
2. Income from Investments			
(a) Interest, Dividend & Rent - Gross		7036 980	6260 620
(b) Profit on sale of Investments		5249 329	2868 141
Less : Loss of sale of Investments		0	0
3. Other Income:			
Profit on Exchange		0	935 657
Profit on sale of Assets (Net)		167	0
Sundry Balances Written Back (Net)		0	0
Interest on Income-tax Refund		2327 674	54 695
Motor Pool Service Charges		0	32 360
Miscellaneous Receipts		9 208	3 167
Total (A)		30930 525	26970 594
4. Provision for Doubtful Loans & Investment		32 008	484 081
5. Provision for Doubtful Debts		1075 122	764 767
6. Amortisation of premium on Investments		181 025	200 694
7. Diminution in the value of investments written off		588 077	1111 486
8. Other Expenses :			
Expenses relating to Investments		9 329	6 574
Loss on Exchange		275 131	0
Loss on sale of Assets (Net)		0	232
Sundry Balances Written off (Net)		0	0
Interest Motor Pool & Others		318 005	1368 396
Corporate Social Responsibility Expenses		179 481	0
Total (B)		2658 178	3936 230
Profit Before Tax		28272 347	23034 364
Provision for Taxation :			
Current Tax		5070 000	4130 000
Wealth Tax		11 359	4 183
MAT Credit		-3653 300	-3634 844
Deferred Tax		-107 630	3 280
Fringe Benefit Tax		0	0
Provision for Tax in respect of earlier years		14 713	0
Profit After Tax		26937 205	22531 745
Appropriations			
(a) Balance brought forward from last year		896	-9060 889
(b) Interim dividend		0	1182 500
(c) Proposed Final dividend		5400 000	3311 000
(d) Dividend distribution tax		1099 332	763 670
(e) Transfer to General Reserve		20438 000	8212 790
Balance carried forward to Balance Sheet		769	896

EPS ₹ 626.45(PY ₹523.99)

As per our report of even date

For MANUBHAI & SHAH

Chartered Accountants
Firm Regn No. 106041W

KRISHNAKANT B. SOLANKI

Partner
Membership No.: 110299

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

HITESH PASAD

Partner
Membership No.: 106944

A K Roy

Chairman-cum-Managing Director

Snehlata Shrivastava

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Director

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Company Secretary

Arun Tiwari

Director

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Director

Alice G. Vaidyan

CFO

BALANCE SHEET

REGISTRATION NO. 112
DATE OF REGISTRATION WITH IRDA: 2ND APRIL 2001

BALANCE SHEET AS AT 31ST MARCH 2015

Particulars	Schedule	Current Year (₹ '000)	Previous Year ('000)
SOURCES OF FUNDS			
Share Capital	5	4300 000	4300 000
Reserves and Surplus	6	133636 500	114520 773
Borrowings	7	0	0
Deferred Tax Liability		0	0
Fair Value Change Account		281468 452	205000 288
Total		419404 952	323821 061
APPLICATION OF FUNDS			
Investments	8	557250 626	456558 321
Loans	9	3938 449	4240 508
Fixed Assets	10	1376 270	1143 103
Deferred Tax Asset		174 705	67 075
Current Assets:			
Cash and Bank Balances	11	77280 874	82639 203
Advances and Other Assets	12	140912 228	125270 373
Sub-Total (A)		218193 102	207909 576
Current Liabilities	13	273015 608	264833 406
Provisions	14	88512 582	81264 116
Sub-Total (B)		361528 200	346097 522
Net Current Assets (C)=(A-B)		-143335 098	-138187 946
Miscellaneous Expenditure	15		
Total		419404 952	323821 061
CONTINGENT LIABILITIES		30860 683	30360 722

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

As per our report of even date

For MANUBHAI & SHAH

Chartered Accountants
Firm Regn No. 106041W

KRISHNAKANT B. SOLANKI

Partner
Membership No.: 110299

Mumbai
Dated : 30.05.2015

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

HITESH PASAD

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A K Roy

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Director

Alice G. Vaidyan

CFO

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2015 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	47016 449	49985 303
Less: Premium on Reinsurance ceded	7616 664	10199 605
Net Premium	39399 785	39785 698
Adjustment for change in reserve for unexpired risks	287 326	-3255 596
Total Premium Earned (Net)	39687 111	36530 102
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	38522 946	34329 669
Less: Premium on Reinsurance ceded	0	0
Net Premium	38522 946	34329 669
Adjustment for change in reserve for unexpired risks	-2032 288	3882 760
Total Premium Earned (Net)	36490 658	38212 429
(2) AVIATION		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	6863 948	4263 961
Less: Premium on Reinsurance ceded	961 890	762 096
Net Premium	5902 058	3501 865
Adjustment for change in reserve for unexpired risks	-1179 865	17 449
Total Premium Earned (Net)	4722 193	3519 314
(3) ENGINEERING		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	7958 220	8592 130
Less: Premium on Reinsurance ceded	854 396	930 689
Net Premium	7103 824	7661 441
Adjustment for change in reserve for unexpired risks	281 556	-497 313
Total Premium Earned (Net)	7385 380	7164 128

FOR THE YEAR ENDED 31ST MARCH 2015
SCHEDULE 1
PREMIUM EARNED (NET)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(4) WORKMENS' COMPENSATION		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	182 702	242 956
Less: Premium on Reinsurance ceded	0	0
Net Premium	182 702	242 956
Adjustment for change in reserve for unexpired risks	30 085	92 523
Total Premium Earned (Net)	212 787	335 479
(5) LIABILITY		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	1153 477	1005 155
Less: Premium on Reinsurance ceded	116 619	128 815
Net Premium	1036 858	876 340
Adjustment for change in reserve for unexpired risks	-80 778	188 375
Total Premium Earned (Net)	956 080	1064 715
(6) PERSONAL ACCIDENT		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	2691 267	3797 647
Less: Premium on Reinsurance ceded	11 685	13 161
Net Premium	2679 582	3784 486
Adjustment for change in reserve for unexpired risks	559 125	672 251
Total Premium Earned (Net)	3238 707	4456 737
(7) HEALTH		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	21049 810	16451 251
Less: Premium on Reinsurance ceded	0	0
Net Premium	21049 810	16451 251
Adjustment for change in reserve for unexpired risks	-2383 824	2131 944
Total Premium Earned (Net)	18665 986	18583 195

FINANCIAL STATEMENTS

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015**

**SCHEDULE 1
PREMIUM EARNED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(8) OTHER MISCELLANEOUS		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	12349 017	13476 401
Less: Premium on Reinsurance ceded	1772 572	894 629
Net Premium	10576 445	12581 772
Adjustment for change in reserve for unexpired risks	1007 847	-349 977
Total Premium Earned (Net)	11584 292	12231 795
(9) FINANCIAL LIABILITY/CREDIT		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	1455 353	2544 703
Less: Premium on Reinsurance ceded	0	0
Net Premium	1455 353	2544 703
Adjustment for change in reserve for unexpired risks	545 079	117 402
Total Premium Earned (Net)	2000 432	2662 105
TOTAL MISCELLANEOUS		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	92226 740	84703 873
Less: Premium on Reinsurance ceded	3717 162	2729 390
Net Premium	88509 578	81974 483
Adjustment for change in reserve for unexpired risks	-3253 063	6255 414
Total Premium Earned (Net)	85256 515	88229 897
C MARINE INSURANCE		
(1) MARINE CARGO		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	3806 211	4165 491
Less: Premium on Reinsurance ceded	277 104	394 369
Net Premium	3529 107	3771 122
Adjustment for change in reserve for unexpired risks	228 826	610 545
Total Premium Earned (Net)	3757 933	4381 667

FINANCIAL STATEMENTS

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015
SCHEDULE 1
PREMIUM EARNED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(2) MARINE HULL		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	7217 036	6689 520
Less: Premium on Reinsurance ceded	1282 284	1102 953
Net Premium	5934 752	5586 567
Adjustment for change in reserve for unexpired risks	-358 096	299 911
Total Premium Earned (Net)	5576 656	5886 478
TOTAL MARINE		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	11023 247	10855 011
Less: Premium on Reinsurance ceded	1559 388	1497 322
Net Premium	9463 859	9357 689
Adjustment for change in reserve for unexpired risks	-129 270	910 456
Total Premium Earned (Net)	9334 589	10268 145
D LIFE INSURANCE		
Premium from Direct Business written	0	0
Add: Premium on Reinsurance accepted	1573 224	1256 976
Less: Premium on Reinsurance ceded	376 312	248 684
Net Premium	1196 912	1008 292
Adjustment for change in reserve for unexpired risks	107 396	51 696
Total Premium Earned (Net)	1304 308	1059 988
E TOTAL ALL CLASSES		
Premium from Direct Business Written	0	0
Add: Premium on Reinsurance accepted	151839 660	146801 163
Less: Premium on Reinsurance ceded	13269 526	14675 001
Net Premium	138570 134	132126 162
Adjustment for change in reserve for unexpired risks	-2987 611	3961 970
Total Premium Earned (Net)	135582 523	136088 132

FINANCIAL STATEMENTS

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015**

**SCHEDULE 2
CLAIMS INCURRED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
A FIRE INSURANCE		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	36728 178	36648 124
Less: Reinsurance ceded	1563 411	6756 140
Net Claims Paid	35164 767	29891 984
Add : Claims Outstanding at the end of the year	67582 224	76208 072
Less: Claims Outstanding at the beginning of the year	76208 072	68743 345
Total Claims Incurred	26538 919	37356 711
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	41344 945	28847 032
Less: Reinsurance ceded	0	0
Net Claims Paid	41344 945	28847 032
Add : Claims Outstanding at the end of the year	51587 884	54058 415
Less: Claims Outstanding at the beginning of the year	54058 415	53975 419
Total Claims Incurred	38874 414	28930 028
(2) AVIATION		
Claims Paid		
Direct	4 057	5 497
Add : Reinsurance accepted	3324 259	3633 909
Less: Reinsurance ceded	143 556	297 654
Net Claims Paid	3184 760	3341 752
Add : Claims Outstanding at the end of the year	8803 936	7900 822
Less: Claims Outstanding at the beginning of the year	7900 822	9253 362
Total Claims Incurred	4087 874	1989 212
(3) ENGINEERING		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	3889 855	4674 887
Less: Reinsurance ceded	17 234	47 354
Net Claims Paid	3872 621	4627 533
Add : Claims Outstanding at the end of the year	18382 485	17748 578
Less: Claims Outstanding at the beginning of the year	17748 578	10769 022
Total Claims Incurred	4506 528	11607 089

FINANCIAL STATEMENTS

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015
SCHEDULE 2
CLAIMS INCURRED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(4) WORKMENS' COMPENSATION		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	79 206	114 384
Less: Reinsurance ceded	0	0
Net Claims Paid	79 206	114 384
Add : Claims Outstanding at the end of the year	161 463	163 235
Less: Claims Outstanding at the beginning of the year	163 235	230 487
Total Claims Incurred	77 434	47 132
(5) LIABILITY		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	243 887	295 989
Less: Reinsurance ceded	38 252	0
Net Claims Paid	205 635	295 989
Add : Claims Outstanding at the end of the year	1579 545	1842 666
Less: Claims Outstanding at the beginning of the year	1842 666	1231 056
Total Claims Incurred	-57 486	907 599
(6) PERSONAL ACCIDENT		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	2586 724	3850 128
Less: Reinsurance ceded	0	0
Net Claims Paid	2586 724	3850 128
Add : Claims Outstanding at the end of the year	1888 768	2406 549
Less: Claims Outstanding at the beginning of the year	2406 549	3452 075
Total Claims Incurred	2068 943	2804 602
(7) HEALTH		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	17748 458	16018 914
Less: Reinsurance ceded	0	0
Net Claims Paid	17748 458	16018 914
Add : Claims Outstanding at the end of the year	12700 829	9158 105
Less: Claims Outstanding at the beginning of the year	9158 105	10014 824
Total Claims Incurred	21291 182	15162 195

FINANCIAL STATEMENTS

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015**

**SCHEDULE 2
CLAIMS INCURRED (NET)**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(8) OTHER MISCELLANEOUS		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	9320 071	11169 563
Less: Reinsurance ceded	0	2 728
Net Claims Paid	9320 071	11166 835
Add : Claims Outstanding at the end of the year	9707 154	10337 916
Less: Claims Outstanding at the beginning of the year	10337 916	10079 799
Total Claims Incurred	8689 309	11424 952
(9) FINANCIAL LIABILITY/CREDIT		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	1225 730	1813 750
Less: Reinsurance ceded	0	0
Net Claims Paid	1225 730	1813 750
Add : Claims Outstanding at the end of the year	6648 242	5885 222
Less: Claims Outstanding at the beginning of the year	5885 222	3479 268
Total Claims Incurred	1988 750	4219 704
TOTAL MISCELLANEOUS		
Claims Paid		
Direct	4 057	5 497
Add : Reinsurance accepted	79763 135	70418 556
Less: Reinsurance ceded	199 042	347 736
Net Claims Paid	79568 150	70076 317
Add : Claims Outstanding at the end of the year	111460 306	109501 508
Less: Claims Outstanding at the beginning of the year	109501 508	102485 312
Total Claims Incurred	81526 948	77092 513
C MARINE INSURANCE		
(1) MARINE CARGO		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	3274 157	2892 339
Less: Reinsurance ceded	62 823	415 860
Net Claims Paid	3211 334	2476 479
Add : Claims Outstanding at the end of the year	5556 870	5225 659
Less: Claims Outstanding at the beginning of the year	5225 659	5891 192
Total Claims Incurred	3542 545	1810 946

FINANCIAL STATEMENTS

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015SCHEDULE 2
CLAIMS INCURRED (NET)

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(2) MARINE HULL		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	4242 795	5230 616
Less: Reinsurance ceded	309 043	765 813
Net Claims Paid	3933 752	4464 803
Add : Claims Outstanding at the end of the year	9681 428	7238 540
Less: Claims Outstanding at the beginning of the year	7238 540	7893 011
Total Claims Incurred	6376 640	3810 332
TOTAL MARINE		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	7516 952	8122 955
Less: Reinsurance ceded	371 866	1181 673
Net Claims Paid	7145 086	6941 282
Add : Claims Outstanding at the end of the year	15238 298	12464 199
Less: Claims Outstanding at the beginning of the year	12464 199	13784 203
Total Claims Incurred	9919 185	5621 278
D LIFE INSURANCE		
Claims Paid		
Direct	0	0
Add : Reinsurance accepted	995 129	769 313
Less: Reinsurance ceded	321 318	144 216
Net Claims Paid	673 811	625 097
Add : Claims Outstanding at the end of the year	853 942	595 087
Less: Claims Outstanding at the beginning of the year	595 087	217 744
Total Claims Incurred	932 666	1002 440
E TOTAL ALL CLASSES		
Claims Paid		
Direct	4 057	5 497
Add : Reinsurance accepted	125003 394	115958 948
Less: Reinsurance ceded	2455 637	8429 765
Net Claims Paid	122551 814	107534 680
Add : Claims Outstanding at the end of the year	195134 770	198768 866
Less: Claims Outstanding at the beginning of the year	198768 866	185230 604
Total Claims Incurred	118917 718	121072 942

FINANCIAL STATEMENTS

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015SCHEDULE 3
COMMISSION

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
A FIRE INSURANCE		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	9831 772	9899 411
Less: Commission on Reinsurance Ceded	173 172	2493 752
Net Commission	9658 600	7405 659
Break-up of Commission		
Brokerage	1359 923	1310 055
Commission Paid	8298 677	6095 604
Total Commission	9658 600	7405 659
B MISCELLANEOUS INSURANCE		
(1) MOTOR		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	6499 826	5618 326
Less: Commission on Reinsurance Ceded	0	0
Net Commission	6499 826	5618 326
Break-up of Commission		
Brokerage	252 380	238 720
Commission Paid	6247 446	5379 606
Total Commission	6499 826	5618 326
(2) AVIATION		
Commission Paid		
Direct	-78 261	36 338
Add : Reinsurance Accepted	955 853	595 046
Less: Commission on Reinsurance Ceded	583	106 684
Net Commission	877 009	524 700
Break-up of Commission		
Brokerage	373 701	333 942
Commission Paid	503 308	190 758
Total Commission	877 009	524 700
(3) ENGINEERING		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	1971 232	2272 483
Less: Commission on Reinsurance Ceded	3 506	85 767
Net Commission	1967 726	2186 716
Break-up of Commission		
Brokerage	92 753	108 822
Commission Paid	1874 973	2077 894
Total Commission	1967 726	2186 716

FINANCIAL STATEMENTS

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015
SCHEDULE 3
COMMISSION**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(4) WORKMENS' COMPENSATION		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	27 023	29 547
Less: Commission on Reinsurance Ceded	0	0
Net Commission	27 023	29 547
Break-up of Commission		
Brokerage	1 619	1 676
Commision Paid	25 404	27 871
Total Commission	27 023	29 547
(5) LIABILITY		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	190 262	167 540
Less: Commission on Reinsurance Ceded	2 094	1 429
Net Commission	188 168	166 111
Break-up of Commission		
Brokerage	15 511	13 885
Commision Paid	172 657	152 226
Total Commission	188 168	166 111
(6) PERSONAL ACCIDENT		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	561 284	694 423
Less: Commission on Reinsurance Ceded	1 580	804
Net Commission	559 704	693 619
Break-up of Commission		
Brokerage	44 091	62 645
Commision Paid	515 613	630 974
Total Commission	559 704	693 619
(7) HEALTH		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	3699 443	2784 694
Less: Commission on Reinsurance Ceded	0	0
Net Commission	3699 443	2784 694
Break-up of Commission		
Brokerage	264 056	153 502
Commision Paid	3435 387	2631 192
Total Commission	3699 443	2784 694

FINANCIAL STATEMENTS

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015SCHEDULE 3
COMMISSION

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(8) OTHER MISCELLANEOUS		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	2050 405	2549 192
Less: Commission on Reinsurance Ceded	1 478	37 056
Net Commission	2048 927	2512 136
Break-up of Commission		
Brokerage	94 832	105 438
Commission Paid	1954 095	2406 698
Total Commission	2048 927	2512 136
(9) FINANCIAL LIABILITY/CREDIT		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	255 207	488 164
Less: Commission on Reinsurance Ceded	0	0
Net Commission	255 207	488 164
Break-up of Commission		
Brokerage	2 267	3 821
Commission Paid	252 940	484 343
Total Commission	255 207	488 164
TOTAL MISCELLANEOUS		
Commission Paid		
Direct	-78 261	36 338
Add : Reinsurance Accepted	16210 535	15199 415
Less: Commission on Reinsurance Ceded	9 241	231 740
Net Commission	16123 033	15004 013
Break-up of Commission		
Brokerage	1141 210	1022 451
Commission Paid	14981 823	13981 562
Total Commission	16123 033	15004 013
C MARINE INSURANCE		
(1) MARINE CARGO		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	895 008	1025 423
Less: Commission on Reinsurance Ceded	34	22 646
Net Commission	894 974	1002 777
Break-up of Commission		
Brokerage	74 699	88 713
Commission Paid	820 275	914 064
Total Commission	894 974	1002 777

FINANCIAL STATEMENTS

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015
SCHEDULE 3
COMMISSION**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
(2) MARINE HULL		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	1166 143	1238 640
Less: Commission on Reinsurance Ceded	77 658	213 875
Net Commission	1088 485	1024 765
Break-up of Commission		
Brokerage	257 020	251 994
Commission Paid	831 465	772 771
Total Commission	1088 485	1024 765
TOTAL MARINE		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	2061 151	2264 063
Less: Commission on Reinsurance Ceded	77 692	236 521
Net Commission	1983 459	2027 542
Break-up of Commission		
Brokerage	331 719	340 707
Commission Paid	1651 740	1686 835
Total Commission	1983 459	2027 542
D LIFE INSURANCE		
Commission Paid		
Direct	0	0
Add : Reinsurance Accepted	77 432	52 652
Less: Commission on Reinsurance Ceded	0	0
Net Commission	77 432	52 652
Break-up of Commission		
Brokerage	10 531	4 764
Commission Paid	66 901	47 888
Total Commission	77 432	52 652
E TOTAL ALL CLASSES		
Commission Paid		
Direct	-78 261	36 338
Add : Reinsurance Accepted	28180 890	27415 541
Less: Commission on Reinsurance Ceded	260 105	2962 013
Net Commission	27842 524	24489 866
Break-up of Commission		
Brokerage	2843 383	2677 977
Commission Paid	24999 141	21811 889
Total Commission	27842 524	24489 866

FINANCIAL STATEMENTS

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015
SCHEDULE 4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

Particulars		Current Year (₹ '000)	Previous Year (₹ '000)
1	Employees' remuneration & welfare benefits	686 241	774 084
2	Travel, conveyance and vehicle running expenses	69 198	68 385
3	Training expenses	9 879	41 090
4	Rents, rates and taxes	39 683	32 332
5	Repairs	288 494	347 120
6	Printing & stationery	4 406	4 421
7	Communication	11 660	12 724
8	Legal & professional charges	134 334	105 703
9	Auditors' fees, expenses etc.		
	(a) as auditor	7 081	5 002
	(b) as advisor or in any other capacity, in respect of		
	(i) Taxation matters	300	250
	(ii) Others	5	82
10	Advertisement and publicity	48 847	55 826
11	Interest & Bank Charges	7 890	9 049
12	Others	188 744	245 859
13	Depreciation	92 463	71 577
14	Service Tax A/c	5 131	9 382
	Total	1594 356	1782 886

FINANCIAL STATEMENTS

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015SCHEDULE 5
SHARE CAPITAL

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1. Authorised Capital 10,00,00,000 Equity Shares of ₹ 100/- each	10000 000	10000 000
2. Issued & Subscribed Capital 4,30,00,000 Equity Shares of ₹ 100/- each	4300 000	4300 000
3. Called-up Capital 4,30,00,000 Equity Shares of ₹ 100/- each (Includes 4,06,00,000 shares issued by capitalisation of Capital Redemption Reserve and General Reserve and 5,00,000 partly paid shares (₹ 50 per share paid) made fully paid-up shares by capitalisation of General Reserve)	4300 000	4300 000
Total	4300 000	4300 000

SCHEDULE 5A
SHARE CAPITAL PATTERN OF SHAREHOLDING
{AS CERTIFIED BY THE MANAGEMENT}

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

SCHEDULE 6
RESERVES AND SURPLUS

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1 General Reserve		
Opening Balance	105452 000	97239 210
Add: Transfer from Profit & Loss A/c	20438 000	8212 790
	125890 000	105452 000
2 Catastrophe Reserve	0	0
3 Foreign Currency Translation Reserve	7745 731	9067 877
4 Balance of Profit in Profit & Loss Account	769	896
Total	133636 500	114520 773

SCHEDULE 7
BORROWINGS

NIL

FINANCIAL STATEMENTS

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015
SCHEDULE B
INVESTMENTS - SHAREHOLDERS' FUND**

Particulars		Current Year (₹ '000)	Previous Year (₹ '000)
Long Term Investments			
1	Government securities and Government guaranteed bonds including Treasury Bills	29879 607	23767 637
2	Other Approved Securities	1160 091	1176 068
3	Other Investments		
	(a) Shares		
	(aa) Equity - Indian	95915 057	67162 113
	Equity - Foreign	7 816	7 816
	(bb) Preference	11 523	10 510
	(b) Mutual Funds	0	0
	(c) Derivative Instruments	0	0
	(d) Debentures /Bonds Indian	6019 815	5949 488
	Debentures /Bonds Foreign	0	0
	(e) Other Securities		
	Guaranteed Equity	144	131
	(f) Subsidiaries	734 591	0
	(g) Associates - Indian	0	0
	Associates - Foreign	721 162	591 162
4	Investments in Infrastructure and Social Sector	0	0
	(a) Equity	4586 044	3925 271
	(b) Debentures/Bonds	10679 309	10652 956
5	Other than Approved Investments	0	0
	(a) Equity/Preference/Debentures/Venture Funds	1176 154	820 877
	(b) Preference	8 508	15 811
	(c) Debentures /Bond	5886 076	2387 245
	(d) Venture Funds	512 372	442 519
	(e) Associate Indian	700 000	700 000
Short Term Investments			
1	Government securities and Government guaranteed bonds including Treasury Bills	814 669	679 336
2	Other Approved Securities	111 719	51 725
3	Other Investments		
	(a) Shares		
	(aa) Equity	0	0
	(bb) Preference	0	0
	(b) Mutual Funds	528 523	417 960
	(c) Derivative Instruments	0	0
	(d) Debentures /Bond Indian	764 367	559 971
	Debentures /Bond Foreign	0	350 150
	(e) Other Securities	0	0
	Commercial Paper	0	0
	(f) Subsidiaries	0	0
	(g) Associates - Indian	0	0
	Associates - Foreign	0	0
4	Investments in Infrastructure and Social Sector	0	0
	(a) Debentures /Bond	1617 867	958 286
5	Other than Approved Investments	0	0
	(a) Preference Shares	0	0
	(b) Debentures /Bond	581 788	253 794
	(c) Mutual Funds	0	0
Total		162417 202	120880 826

FINANCIAL STATEMENTS

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015
SCHEDULE B A
INVESTMENTS - POLICYHOLDERS' FUND**

Particulars		Current Year (₹ '000)	Previous Year (₹ '000)
Long Term Investments			
1	Government securities and Government guaranteed bonds including Treasury Bills	73617 473	66913 924
2	Other Approved Securities	2838 297	3311 027
3	Other Investments	0	
	(a) Shares	0	
	(aa) Equity - Indian	236315 830	189084 025
	Equity - Foreign	0	
	(bb) Preference	28 390	29 589
	(b) Mutual Funds	0	0
	(c) Derivative Instruments	0	0
	(d) Debentures /Bonds Indian	14831 640	16749 819
	Debentures /Bonds Foreign	0	0
	(e) Other Securities		
	Guaranteed Equity	356	369
	(f) Subsidiaries	0	0
	(g) Associates - Indian	0	0
	Associates - Foreign	0	0
4	Investments in Infrastructure and Social Sector	0	0
	(a) Equity	11299 110	11050 964
	(b) Debentures/Bonds	26311 716	29991 668
5	Other than Approved Investments	0	0
	(a) Equity/Preference/Debentures/Venture Funds	2897 813	2311 046
	(b) Preference	20 961	44 514
	(c) Debentures /Bond	14502 134	6720 901
	(d) Venture Funds	1262 383	1245 840
	(e) Associate Indian	0	0
Short Term Investments			
1	Government securities and Government guaranteed bonds including Treasury Bills	2007 185	1912 559
2	Other Approved Securities	295 192	145 626
3	Other Investments	0	0
	(a) Shares		
	(aa) Equity	0	0
	(bb) Preference	0	0
	(b) Mutual Funds	1302 178	1176 699
	(c) Derivative Instruments	0	0
	(d) Debentures /Bond Indian	1883 249	1576 509
	Debentures /Bond Foreign	0	0
	(e) Other Securities	0	0
	Commercial Paper	0	0
	(f) Subsidiaries	0	0
	(g) Associates - Indian	0	0
	Associates - Foreign	0	0
4	Investments in Infrastructure and Social Sector	0	0
	(a) Debentures /Bond	3986 106	2697 898
5	Other Investments	0	0
	(a) Preference Shares	0	0
	(b) Debentures /Bond	1433 411	714 516
	(c) Mutual Funds	0	0
Total		394833 424	335677 493

FINANCIAL STATEMENTS

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015
SCHEDULE 9
LOANS**

Particulars		Current Year (₹ '000)	Previous Year (₹ '000)
1. Security-wise Classification			
Secured			
(a) On mortgage of property			
(aa) In India*	757 974	797 728	
(bb) Outside India	0	0	
(b) On Shares, Bonds, Government Securities	0	0	
(c) Others (to be specified)	3112 087	3374 193	
Unsecured	68 388	68 587	
Total	3938 449	4240 508	
2. Borrower-wise Classification			
(a) Central and State Governments	3112 087	3374 193	
(b) Banks and Financial Institutions	0	0	
(c) Subsidiaries	0	0	
(d) Industrial Undertakings	816 556	848 654	
(e) Others	9 806	17 661	
Total	3938 449	4240 508	
3. Performance-wise Classification			
(a) Loans classified as standard			
(aa) In India	3075 668	3338 800	
(bb) Outside India	0	0	
(b) Non-performing loans less provisions			
(aa) In India	191 648	204 428	
(bb) Outside India	0	0	
Provisions **	671 133	697 280	
Total	3938 449	4240 508	
4. Maturity-wise Classification			
(a) Short-Term	331 193	290 623	
(b) Long-Term	3607 256	3949 885	
Total	3938 449	4240 508	

**Includes Provision for Bad and Doubtful Loans

FINANCIAL STATEMENTS

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015SCHEDULE 10
FIXED ASSETS

(₹ in thousand)

Particulars	Cost/Gross Block			Depreciation					Net Block	
	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	Up to 31.03.2014	Twelve months ended 31.03.2015	On Sales/ Adjustment	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
Leasehold Land	247 253	0	0	247 253	82 417	3 434	0	85 851	161 402	164 836
Freehold Land	560 132	-	-	560 132	-	-	-	-	560 132	560 132
Buildings	514 427	97 067		611 494	229 856	8 361	-	238 217	373 277	284 571
Furniture & Fittings	20 082	1 445	302	21 225	18 190	691	271	18 610	2 615	1 892
I.T. Equipments	112 222	10 629	1 392	121 459	97 753	8 752	1 403	105 102	16 357	14 469
I.T. Software	135 635	207 529		343 164	50 626	62 316	-	112 942	230 222	85 009
Vehicles	40 241	7 070	3 181	44 130	17 371	3 986	1 837	19 520	24 610	22 870
Office Equipments	14 209	3 131	61	17 279	7 615	3 143	- 3	10 761	6 518	6 594
AC & Water Coolers	12 526	178	181	12 523	11 692	160	158	11 694	829	834
Elevators	2 073	-	-	2 073	2 058	15	-	2 073	-	15
Canteen Appliances	474	-	-	474	328	35	-	363	111	146
Electrical Installation	11 737	32	-	11 769	10 986	586	-	11 572	197	751
Fire Alarm Systems	3 408	-	-	3 408	2 424	984	-	3 408	-	984
Total	1674 419	327 081	5 117	1996 383	531 316	92 463	3 666	620 113	1376 270	1143 103
Previous years	1020 429	667 799	13 809	1674 419	472 773	71 577	13 034	531 316		

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 and stamps	164	319
2.	Bank Balances		
	(a) Deposit Accounts - Short-term (due within 12 months)	66651 121	70793 598
	(b) Current Accounts	2397 761	2664 186
3.	Money at Call and Short Notice		
	(a) With Bank	263 042	290 721
	(b) With other Institutions	7968 786	8890 379
	Total	77280 874	82639 203
Balances with non-scheduled banks		Nil	Nil

FINANCIAL STATEMENTS

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015
SCHEDULE 12
ADVANCES AND OTHER ASSETS**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
Advances		
1. Reserve Deposits with Ceding Companies	25570 338	25255 607
2. Application Money for Investments	0	277 548
3. Prepayments	78 348	46 503
4. Advances to Directors/Officers	5 258	4 799
5. Advance Tax Paid and TDS	26130 353	26467 718
Less: Provision for Taxation	21346 198	18015 887
Service Tax	4784 155	8451 831
6. Others	2392 388	1110 248
7. Deferred Commission	473 178	505 797
Total (A)	33303 665	35652 333
Other Assets		
1. Income accrued on investments	7550 171	6692 382
2. Due from other entities carrying on insurance business (including reinsurers) *	36952 020	32846 402
3. Deposit U/S-7 of Insurance Act	295 314	297 370
4. Sundry Debtors	3394 901	961 925
5. Sundry Deposits	289 644	252 491
6. MAT Credit Entitlement	10954 816	7301 516
7. Service Tax Unutilised Credit	343 261	684 396
8. Terrorism Pool Assets	47828 436	40581 558
Total (B)	107608 563	89618 040
Total (A+B)	140912 228	125270 373

* Net of ₹ 3,935,192 thousand (PY ₹ 2,860,070 thousand) for provision for bad and doubtful debts

**SCHEDULE 13
CURRENT LIABILITIES**

Particulars	Current Year (₹ '000)	Previous Year (₹ '000)
1. Balances Due to other insurance companies	14850 027	16268 965
2. Deposits held on re-insurance ceded	14538 197	8533 017
3. Sundry Creditors	664 178	681 001
4. Claims Outstanding	195134 770	198768 865
5. Terrorism Pool Liabilities	47828 436	40581 558
Total	273015 608	264833 406

FINANCIAL STATEMENTS

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2015
SCHEDULE 14
PROVISIONS**

Particulars		Current Year (₹ '000)	Previous Year (₹ '000)
1	Reserve for Unexpired Risk	74463 872	71476 261
2	Reserve for Premium Deficiency	584 595	0
3	For proposed dividends	5400 000	3311 000
4	For dividend distribution tax	1099 332	562 704
5	For Doubtful Loans, Investment and Debts	6471 674	5364 543
6	For Leave Encashment	227 340	221 463
7	Provision for Pension	31 109	235 597
8	Provision for Gratuity	75 675	-12 100
9	Provision for Settlement	12 195	10 648
10	For Salary Arrears	130 000	77 200
11	For PLLI Arrears	16 800	16 800
Total		88512 592	81264 116

**SCHEDULE 15
MISCELLANEOUS EXPENDITURE**

NIL

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES:

1. ACCOUNTING CONVENTION

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

2. REINSURANCE BUSINESS

2.1 Reinsurance Revenues

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

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

2.2 Outstanding claims

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

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

2.3 Receivables

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

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

3. FOREIGN CURRENCY TRANSACTIONS:

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

3.1 Non-Monetary items including fixed assets and investments abroad are reported using the exchange rate applicable on the date of acquisition.

3.2 Monetary items such as receivables, payables and balances in bank accounts held in foreign currencies are converted using the closing rates of exchange at the balance sheet date.

3.3 The exchange gain/ loss relating to revenue transaction, due to conversion of foreign currencies, is accounted for as revenue in respective revenue accounts. The common exchange gain/loss due to conversion are apportioned between Revenue Account and Profit and Loss Account in same proportion as stated in Significant Accounting Policy No. 6

3.4 Foreign branch operations are considered as "non-integral business" as prescribed in AS11 "The effects of changes in foreign exchange rates" (revised 2003) and translated accordingly.

SIGNIFICANT ACCOUNTING POLICIES

4. RESERVE FOR UNEXPIRED RISK

The URR provisions are made as under:

A. Non-Life Business:

(i) For HO, Dubai and Malaysia Branch:

Reserve for Unexpired Risk in respect of Marine Insurance and Terrorism Risk Business (included in Fire and Engineering) is made at 100% of Net Premium, while for all other classes of insurance is made at 50% of Net Premium of the period for which accounts are prepared.

(ii) For London Branch:

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

B. Life Business:

Reserve for Unexpired Risk is provided as determined by Actuary.

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

5.1 Depreciation

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

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

5.2 Retirement Benefits to Employees

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

5.3 Apportionment of Expenses

(i) Head office business

Operating expenses relating to insurance business

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

(ii) Foreign business

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

(iii) Investment Expenses

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

6. APPORTIONMENT OF INTEREST, DIVIDENDS AND RENTS

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

7. INVESTMENTS

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

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

7.2 Purchases and Sales of shares, bonds, debentures

SIGNIFICANT ACCOUNTING POLICIES

and Government securities are accounted for on the date of contracts.

7.3 The cost of investments includes premium on acquisition and other related expenses.

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

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

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

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

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

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

c) Provision is made for diminution in value of investments relating to thinly traded and

unlisted shares equivalent to the amount of difference in average book cost and break-up value of the shares except in companies where de-merger has taken place during the Financial Year and latest audited accounts are not available.

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

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

7.8 Investment in equity and preference shares of companies, the net worth of which has been fully impaired or where the latest available audited accounts are beyond 21 months in case of those companies which close their annual accounts on dates other than 31st March or beyond 12 months in case of those companies which close their annual accounts on 31st March, as on the date of Balance Sheet are valued as under :

1. Actively traded equity shares : At their Market Value.
2. Thinly traded equity shares : Written down to nominal value of Re.1/- per company.
3. Preference shares : At a value proportionate to the face value of the equity shares that bears to its market value and carrying cost is reduced by the diminution value.

7.9 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.

NOTES FORMING PART OF THE ACCOUNTS

- 7.10 Dividends/Interest on shares/debentures under objection/pending deliveries is accounted for on realization/payment.
- 7.11 Profit or Loss on sale of investments is apportioned between Profit and Loss Account and Revenue Accounts in the ratio of Shareholders' Fund and Policyholders' Fund respectively at the beginning of the year. The same are further apportioned amongst the revenue accounts on the basis of the respective Policyholders' Fund at the beginning of the year. Shareholders' fund consists of Share Capital and Free Reserves. Policyholders' fund consists of provisions for outstanding claims and reserves for unexpired risks.
- Profit/Loss on sale of investments is computed at average book value of investments on the date of sale.
- 7.12 Expenses relating to safe custody, straight through processing and bank charges etc. on investments are charged to Profit and Loss Account and Revenue Accounts as stated in Significant Accounting Policy No.5.3.
- 7.13 Debt securities including Government securities and Redeemable Preference shares have been considered as 'held to maturity' securities and have been measured at historical cost subject to amortization of premium paid over residual period. The call date has been considered as maturity date for amortization of Perpetual Bonds.
- 7.14 In case of repos transaction, difference between the selling and buying value is treated as interest income.
- 7.15 Investments in foreign equities are valued at cost as these are only strategic investments in associate companies. Impairment if any will be recognized as an expense.
- 7.16 Income received from the Fixed Maturity Mutual fund (Dividend Option) is booked as dividend.
- 7.17 Investments are apportioned between Shareholders' fund & Policyholders' fund in the ratio of balance available in the respective funds at the beginning of the year.

8. FIXED ASSETS

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

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

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

10. COMPLIANCE WITH ACCOUNTING STANDARDS

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

11. PREMIUM DEFICIENCY:

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

NOTES FORMING PART OF THE ACCOUNTS:

1. The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 have been adopted for presentation of the accounts.
 - (a) Out of investment held in shares and debentures of the value of ₹ 444,695,692 thousand (Previous year ₹ 360,702,862 thousand), no confirmations regarding actual custody or other documentary evidence for investments of the book value of ₹ 1221 thousand (Previous year ₹ 1221 thousand) were available.
 - (b) The number of shares / debentures actually held by the Corporation / Custodian of the Corporation is in excess of number held as per

NOTES FORMING PART OF THE ACCOUNTS

the books of the Corporation. The face value of such excess is ₹ 546 thousand (Previous year ₹ 553 thousand).

- (c) The Fixed Maturity Mutual Fund Schemes are close ended mutual fund schemes with definite maturity date and with indicative returns.
2. (a) Provision for standard assets @ 0.40% has been made as per IRDA-Prudential norms for Income recognition, Asset Classification and provisioning and other related methods in respect of debt portfolio amounting to ₹ 377,720 thousand (Previous Year ₹ 345,507 thousand).
- (b) During the year, the Corporation has undertaken under CDR (Corporate Debt Restructuring) System, following fresh cases of restructuring of corporate debt / loans etc., as under:

(₹ in thousand)

Sr. No.	Particulars	Current Year	Previous Year
	Total Amount of assets subjected to restructuring under CDR	0	5,50,000
	The break-up of the same is given here under:		
(i)	Total amount of standard assets subjected to restructuring under CDR	0	3,50,000
(ii)	Total amount of sub-standard assets subjected to restructuring under CDR	0	0
(iii)	Total amount of doubtful assets subjected to restructuring under CDR	0	0
(iv)	Total amount of loss assets subjected to restructuring under CDR	0	2,00,000
	TOTAL	0	5,50,000

- (c) Pending clarification from IRDA 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 IRDA for the said investments.

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

NAV as on	No. of Venture Capital Funds
31st March 2015	21
31st March 2014	3
31st December 2014	6

- (e) For valuation of actively traded equity shares, March 31, 2015 has been considered as closing day.

- (f) During the year the corporation has waived / written off of debts, loans and interest as follows:

(₹ in thousand)

Particulars	No. of cases	Write off	Waiver
Compound Interest	68	---	182
Interest on Delay payment of Principle	2	--	150

- (g) 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.

NOTES FORMING PART OF THE ACCOUNTS

3. A provision of ₹ 16,800 thousand (previous year ₹ 16,800 thousand) has been made for Productivity Linked Lump-sum Incentive to the employees for the year ended 31st March, 2015.
4. 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 ₹ 3,935,192 thousand (P.Y ₹ 2,860,070 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.

5. Disclosure as per Accounting Standard - 22 "Accounting for Taxes on Income":

Deferred Tax assets are recognized only if there is a virtual certainly 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 31.03.2015		As on 31.03.2014	
	Deferred Tax		Deferred Tax	
	Asset	Liability	Asset	Liability
Timing difference on account of difference in book depreciation & depreciation under Income Tax Act, 1961	49,037	-	-	17,530
Provision for employees benefits	125,668	-	84,605	-
Others	-	-	-	-
Foreign Branches	-	-	-	-
TOTAL	174,705	-	84,605	17,530
Net Deferred Tax	174,705	-	67,075	-

6. Structured solution cover:
In 2014-15, GIC Re entered into a new three year agreement i.e. Structured Solution incepting on 01.06.2014. This arrangement provides protection for non-marine Domestic business, for risk and cat perils, from ground up cover of INR 2,000 crore with a deductible of INR 100 Crore. For non-marine Foreign Inward business, for risk and cat perils, the arrangement provides from ground up cover of USD 20 Million with a deductible of USD 10 Million. This arrangement also takes exposures of domestic and foreign business from other classes.
7. Underwriting of Direct business stopped from 1st April 2001. Figures are included in Revenue Accounts pertain to run-off business. Run-off liabilities are sufficiently provided for based on advices received.

8. Disclosures forming part of financial statements as required by the IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002:

9.1 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 ₹ NIL)
- (d) Guarantees / LC given by or on behalf of the Corporation ₹ 8,35,27,09 thousand (Previous year ₹ 9,161,472 thousand).

NOTES FORMING PART OF THE ACCOUNTS

- (e) Statutory demand / liabilities in dispute - Income-tax demands disputed, not provided for ₹ 22,496,974 thousand (Previous year ₹ 21,199,250 thousand). thousand (Previous year ₹ 50,000 thousand) as collateral is held with NSCCL and FDR of 30,000thousand(Previous year ₹ 30,000 thousand) as collateral is held with BSE.
- (f) Reinsurance obligations to the extent not provided for in the accounts NIL(Previous year NIL) in view of Significant Accounting Policy No. 2.1. (d) Margin FDR held by Bank for issue as LC/BG of ₹ 8,352,709 thousand (Previous year ₹ 9,161,472 thousand).
- (g) Pending legal / arbitration cases are very old. These cases are primarily against the erstwhile subsidiary companies and the corporation has been impleaded as a proforma respondent because of its erstwhile status of the holding company. No financial impact of such cases is envisaged.
- 9.2 As at 31st March, 2015 all the assets of the Corporation in and outside India are free from encumbrances except for:
- (a) The Government of India stock 12.30%, 2016 for ₹ 295,315 thousand (Previous year 12.30%, 2016 for ₹ 297,370thousand) deposited with Bank of India as security under Section 7 of the Insurance Act, 1938 and,
- (b) The Government of India Stock, 7.95% 2032 for ₹ 10,100 thousands and, 8.07% 2017 for ₹ 10,073 thousands and 8.20% 2022 for ₹ 29,976 thousands, 8.24% 2027 for ₹ 17,421 thousands, 8.28% 2027 for ₹ 17,360 thousands and 8.33% 2026 for ₹ 98,910 thousands total amounting to ₹ 183,840 thousands (Previous year total amounting to ₹ 149,105 thousands) and cash deposit of ₹ 4100 thousands (Previous year 4100 thousands) with Clearing Corporation of India Limited as deposit towards Settlement Guarantee Fund.
- (c) In view of margin requirements as recommended by SEBI vide Circular dated 19/03/2008, Corporation has provided Fixed Deposits amounting to ₹ 80,000 thousand (Previous year ₹ 80,000 thousand) as margins in cash segments viz. FDR of ₹ 50,000
- 9.3 The Commitments made and outstanding for Loans, Investments and Fixed Assets (if any) as at 31st March, 2015 are ₹ 510,821 thousand (Previous year ₹ 1,072,789 thousand).
- 9.4 Disclosures of Claims less reinsurance during the financial year 2014-15 paid in India are ₹ 74,291,697 thousand (Previous year ₹ 58,629,384 thousand) and outside India are ₹ 48,260,116 thousand (Previous year ₹ 48,905,296 thousand).
- 9.5 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:

NOTES FORMING PART OF THE ACCOUNTS

Details as on 31.03.2015

(₹ in thousand)

SL No.	Outstanding Period	FIRE		MARINE		ENGINEERING		AVIATION		LIABILITY		MISCELLANEOUS		TOTAL	
		No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount
1	30 days	43	59,558	14	92,069	12	10,750	17	422,625	0	0	3	4438	89	589,440
2	> 30 days up to six (6) months	261	10,69,941	65	183,666	57	12,10,737	117	176,917	2	634	11	222,369	513	28,64,264
3	> 6 months up to 1 year	264	42,99,450	95	851,078	135	238,476	204	807,614	28	48,182	8	24,399	734	62,69,199
4	> 1 year to up to 5 years	1217	44,81,114	363	17,07,978	689	11,53,859	1139	29,30,749	78	643,274	69	142,767	3555	11,059,740
5	> 5 years	359	17,43,704	113	125,293	333	156,161	758	27,00,611	14	250,127	23	48,818	1600	50,24,714
	Total	2144	11,653,766	650	29,60,084	1226	27,69,984	2235	70,38,515	122	942,217	114	442,792	6491	25,807,358

Details as on 31.03.2014

(₹ in thousand)

SL No.	Outstanding Period	FIRE		MARINE		ENGINEERING		AVIATION		LIABILITY		MISCELLANEOUS		TOTAL	
		No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount	No. of Claims	Amount
1	30 days	38	3,40,738	6	96,134	22	4,434	17	34,651	-	-	-	-	83	4,75,957
2	> 30 days up to six (6) months	314	14,59,723	62	4,89,899	148	6,56,136	83	2,20,021	5	1,66,244	9	1,804	621	29,93,827
3	> 6 months up to 1 year	352	15,04,386	83	2,44,141	225	4,95,958	139	7,35,402	9	20,553	29	19,565	837	30,20,005
4	> 1 year to up to 5 years	1,364	55,47,564	485	15,06,229	877	9,97,477	1,153	28,24,887	23	6,99,173	60	1,50,043	3,962	1,17,25,372
5	> 5 years	193	8,86,044	67	1,38,344	230	1,01,123	440	18,11,752	6	(25,099)	12	16,187	948	29,28,352
	Total	2,261	97,38,455	703	24,74,747	1,502	22,55,127	1,832	56,26,713	43	8,60,871	110	1,87,599	6,451	2,11,43,512

9.6 Premiums, less reinsurance, written from business during the financial year 2014-15 in India are ₹ 76,927,547 thousand (Previous year ₹ 68,578,321 thousand) and outside India are ₹ 61,642,588 thousand (Previous year ₹ 63,547,840 thousand).

9.7 Claims settled and remaining unpaid for a period of more than six months as on 31-03-2015 ₹ NIL. (Previous Year ₹ NIL).

9.8 Value of contracts in relation to investments, for

a) Purchases, where deliveries are pending ₹ NIL (Previous year ₹ 839,999 thousand).

b) Sales, where payments are overdue ₹ NIL (Previous year ₹ NIL).

9.9 The basis of apportionment of operating expenses to the Revenue Accounts has been stated in the Significant Accounting Policy No. 5.3.

9.10 The historical cost of investments valued on Fair Value basis is ₹ 70,440,575 thousand (Previous year ₹ 68,257,241 thousand).

9.11 Computation of Key Managerial Personnel Remuneration is as follows:

(₹ in thousand)

Sl. No	Name	Designation	Gross Salary	Corp.'s P.F.	House Perks	Loan Perks	Vehicle Perks	LTS Perks	Other perks
1	A.K.Roy	Chairman-cum-Managing Director	2593.73	216	133.2	0.00	21.6	0.00	0.00
2	Alice Vaidyan	Chief Financial Officer	1438.94	190.75	0.00	0.00	21.6	0.00	5.00
3	Suchita Gupta	Company Secretary	1185.90	60.22	83.41	0.00	21.6	428.48	0.00

9.12 The basis of amortisation of debt securities is as stated in Significant Accounting Policy No. 7.13.

9.13 Provisions regarding unrealised gains / losses have been stated in the Significant Accounting Policies No. 7.7.

9.14 The Corporation does not hold any properties for investment purposes.

9.15 The Corporation has not provided for catastrophic reserves as IRDA has not issued any guidelines in this respect.

10. 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.

NOTES FORMING PART OF THE ACCOUNTS

11. Segment Reporting as per Accounting Standard -17 "Segment Reporting" of ICAI, has been complied with as required by IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

Indian Business										
Class of Business	Earned Premium	Incurred Claims	Net Commission	Expenses of Management	Profit/Loss on Exchange	Premium Deficiency	Underwriting Profit/Loss (-)	(₹ in thousand)		
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Fire	10419 281	9765 036	7581 537	2419 442	9 757	186 359	- 335	- 141	246 960	4922 775
Motor	27839 701	29845 010	29329 831	4516 738	3277 519	305 619	0	0	-6314 557	5465 551
Aviation	868 311	487 376	298 038	90 644	88 287	7 152	55 426	-2 419	519 764	486 460
Engineering	3807 200	3976 097	2826 658	835 075	1049 727	59 747	0	0	100 534	-3305 294
W.C.	169 201	283 191	56 034	22 983	23 969	2 217	0	0	88 620	130 103
Liability	641 116	747 006	-156 117	123 470	100 618	7 362	- 83	- 24	664 367	-128 911
PA	2067 099	2360 343	1298 182	372 589	325 936	24 173	0	0	374 490	825 062
Health	11724 726	13718 075	13480 626	2284 058	1700 996	134 131	0	0	-4174 090	2829 111
Other Misc.	9524 431	9365 006	7964 232	1506 450	1743 203	132 742	0	- 98	-54 733	-1958 200
FL/Credit	1864 618	2505 285	1832 194	224 562	472 022	28 430	0	0	-205 966	-1604 426
Marine Cargo	1368 479	2265 304	1708 658	226 731	214 241	15 835	0	- 930	-580 388	1607 338
Marine Hull	1151 804	1001 867	1606 423	280 685	49 477	16 724	171	-2 327	-1337 819	1270 618
Life	957 518	558 250	1026 986	33 160	37 051	12 605	0	0	-115 978	-197 344
TOTAL	72403 484	76877 847	68853 282	12936 588	9092 106	922 339	55 178	-5 939	584 596	10342 842

Foreign Business										
Class of Business	Earned Premium	Incurred Claims	Net Commission	Expenses of Management	Profit/Loss on Exchange	Premium Deficiency	Underwriting Profit/Loss (-)	(₹ in thousand)		
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Fire	29267 830	26765 066	18957 382	7239 158	7395 901	463 467	-206 462	655 530	2491 688	-13149 479
Motor	8650 958	8367 419	9544 582	1983 088	2340 806	70 971	-179 158	757 272	-3126 841	-1427 373
Aviation	3853 882	3031 938	3789 835	786 365	436 413	48 985	-19 451	115 604	-802 286	575 990
Engineering	3578 180	3188 031	1679 871	1132 651	1136 989	37 620	-54 181	143 020	673 857	-3286 754
W.C.	43 586	52 288	21 399	4 040	5 578	660	- 714	4 451	17 132	130 272
Liability	314 965	317 708	98 630	64 698	65 493	5 012	-5 721	18 886	143 243	126 403
PA	1171 608	2096 394	770 762	187 115	368 384	17 712	-10 775	60 442	198 780	150 011
Health	6941 260	4865 120	7810 556	1415 385	1083 698	102 377	-43 552	203 254	-2425 627	-2215 301
Other Misc.	2059 861	2866 789	725 077	542 477	768 932	24 456	-41 628	159 619	735 106	255 231
FL/Credit	135 814	156 819	156 555	30 645	16 141	1 944	-17 951	49 417	-70 279	-422 295
Marine Cargo	7385 380	7164 128	1833 887	668 243	788 536	23 366	-25 202	100 395	-154 656	20 869
Marine Hull	4424 852	4884 612	4770 217	807 800	975 287	44 926	-32 116	115 806	-1223 863	-167 407
Life	346 791	501 738	-94 320	44 272	15 600	2 450	-2 588	7 728	391 551	194 915
TOTAL	63179 040	59210 285	50064 436	14905 937	15397 759	860 548	-639 498	2391 424	-3152 196	-19214 919

Total Business (Indian + Foreign)										
Class of Business	Earned Premium	Incurred Claims	Net Commission	Expenses of Management	Profit/Loss on Exchange	Premium Deficiency	Underwriting Profit/Loss (-)	(₹ in thousand)		
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Fire	39687 111	36530 102	26538 919	9658 600	7405 659	544 148	-206 797	655 389	2738 647	-8226 703
Motor	36490 659	38212 429	38874 414	6499 826	5618 326	378 659	-179 158	757 272	0	4038 178
Aviation	4722 193	3519 314	4087 873	877 009	524 700	56 137	35 974	113 185	0	1062 450
Engineering	7385 380	7164 128	4506 529	1967 726	2186 716	82 553	-54 181	143 020	0	-6592 048
W.C.	212 787	335 479	77 434	27 023	29 547	2 877	- 714	4 451	0	260 374
Liability	956 081	1064 715	-57 487	188 168	166 111	12 374	-5 804	18 862	0	-2 507
PA	3238 707	4456 737	2068 944	559 704	693 620	26 013	-10 775	60 442	0	975 073
Health	18665 986	18583 195	21291 183	3699 443	2784 694	225 751	-43 552	203 254	0	613 810
Other Misc.	11584 292	12231 796	8689 309	2048 927	2512 136	157 198	-41 628	159 521	0	-1702 970
FL/Credit	2000 432	2662 104	1988 749	255 207	488 164	30 374	-17 951	49 417	0	-2026 721
Marine Cargo	3757 933	4381 667	3542 545	894 974	1002 778	39 201	-25 202	99 465	0	1628 207
Marine Hull	5576 656	5886 478	6376 640	1088 485	1024 765	61 650	-31 945	113 478	0	1103 210
Life	1304 508	1059 988	932 666	77 432	52 652	15 084	-2 588	7 728	0	-2 430
TOTAL	135582 524	136088 132	118917 718	27842 524	24489 865	1594 356	-584 320	2385 485	584 596	-8872 077

NOTES FORMING PART OF THE ACCOUNTS

12. Related party Disclosures as per Accounting Standard - 18 "Related Party Transaction" issued by ICAI:
- a) Subsidiary Company:
 - GIC Re South Africa Ltd.
 - b) Associate Company :
 - India International Pte Limited, Singapore
 - Agriculture Insurance Company of India Limited, India
 - GIC Bhutan Re Ltd, Bhutan
 - c) Key Management Personnel:
 - Shri A.K.Roy, CMD
 - Suchita Gupta, Company Secretary
 - Alice Vaidyan, CFO

Nature and volume of transactions: With (a) above

Statement Showing Related Party Disclosures as per AS-18 of ICAI - Part I

(₹ in thousand)

Name of the Company	Agriculture Insurance Company of India Ltd.		India International Pte Limited	
	2014-15	2013-14	2014-15	2013-14
Premium Accepted	5,536,543	53,77,496	1,005,087	13,82,001
Premium Ceded	--	1,25,488	3,381	1,733
Net Premium	5,536,543	52,52,008	1,001,707	13,80,268
Commission Paid	545,391	6,56,733	154,145	2,17,429
Commission Recovered	--	-	466	53
Net Commission	545,391	6,56,733	153,679	2,17,377
Claims Paid	5,191,590	45,86,569	772,714	14,61,511
Claims Recovered	---	-	-	-
Net Claims	5,191,590	45,86,569	772,714	14,61,511
Balance on 31st March (-) Indicates amount payable by GIC	617,934	-	259,618	(26,468)

There are no related party transactions during the year with GIC Re South Africa Ltd and GIC Bhutan Re Ltd.

The same is disclosed as per Note no. 9.12 of the Disclosures forming part of the financial statements.

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.

NOTES FORMING PART OF THE ACCOUNTS

13. Investment in Associate Companies (as on 31st March, 2015)

(₹ in thousand)

Sr. No.	Name of Company	Currency	No. of Shares	Face Value	% Holding	Acquisition Cost
1.	India International Ins. Pte Ltd.	S.D.	10,000,000	1 S.D.	20 %	29,479
2.	GIC Re South Africa Ltd.	Zar	57,50,000	2 Zar	100 %	734,591
3.	GIC Bhutan Re Ltd	Nu	1,30,00,000	10 Nu	26 %	130,000
	Total Foreign Investments					894,070
1.	Agriculture Ins. Co. of India Ltd	INR	70,000,000	10 INR	35 %	700,000
	Total Indian Investments					700,000

Investment in Associate Companies (as on 31st March 2014)

(₹ in thousand)

Sr. No.	Name of Company	Currency	No. of Shares	Face Value	% Holding	Acquisition Cost
1.	India International Ins. Pte Ltd.	S.D.	1,00,00,000	1 S.D.	20.00%	29,479
	Total Foreign Investments					29,479
1.	Agriculture Ins. Co. of India Ltd	INR	7,00,00,000	10 INR	35.00%	700,000
	Total Indian Investments					700,000

14. Employees Benefits

The Corporation has classified the various benefits provided to employees as under :

- 1 Pension Superannuation Scheme
- 2 Defined Benefit Plan
 - (a) Leave Encashment
 - (b) Gratuity
 - (c) Provident Fund
- 3 Settlement Benefit

During the year the Corporation has recognised the following amounts in the Profit And Loss Account:

(₹ in thousand)

Particulars	Year ending 31st March, 2015	Year ending 31st March, 2014
Pension Superannuation Scheme (Employees' Pension Fund)	40,771	232,239
Leave Encashment (Earned leave and Sick Leave)	5,878	55,847
Gratuity(Employees Gratuity Fund)	87,774	(6,708)
Provident Fund(Employees Provident Fund)	4,885	4,926
Settlement Benefit	1,547	1,848

NOTES FORMING PART OF THE ACCOUNTS

A) Change in the Present Value of Obligation

(₹ in thousand)

Particulars	Pension	Pension	Gratuity	Gratuity	Leave Salary	Leave Salary	Settlement	Settlement
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Present Value of Obligation as at 1 April	11,59,320	905,058	183,862	183,101	221,462	165,615	10,648	8,800
Interest Cost	88,920	79,363	14,033	16,358	16,292	14,807	969	801
Past Service Cost	0	0	0	0	0	0	0	0
Current Service Cost	92,567	57,635	14,410	9,452	19,628	39,720	576	928
Curtailment Cost / (Credit)	0	0	0	0	0	0	0	0
Settlement Cost / (Credit)	0	0	0	0	0	0	0	0
Benefit Paid	(53,168)	(65,866)	(4,168)	(6,690)	0	0	0	0
Actuarial (Gain)/Loss on Obligation	16,205	183,129	93,092	(18,360)	(30,042)	1,320	0	119
Present Value of Obligation at 31 March	13,03,844	1,159,320	301,229	183,862	227,340	221,462	12,195	10,648

B) Change in the Fair value of Plan Assets

(₹ in thousand)

Particulars	Pension	Pension	Gratuity	Gratuity	Leave Salary	Leave Salary	Settlement	Settlement
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Fair Value of Plan Assets as at 1 April	923,723	845,167	195,961	187,826	0	0	0	0
Expected return on Plan Assets	95,942	78,495	15,146	14,787	0	0	0	0
Actuarial Gain/(Loss) on Obligation	60,980	9,392	18,615	(629)	0	0	0	0
Contribution	245,259	56,534	0	667	0	0	0	0
Benefit Paid	(53,168)	(65,866)	(4,168)	(6,690)	0	0	0	0
Fair Value of Plan Assets at 31 March	12,72,735	923,722	225,554	195,961	0	0	0	0
Unpaid Amount	0	0	0	0	0	0	0	0
Fair Value of Plan (Net) Assets at 31 March	12,72,735	923,722	225,554	195,961	0	0	0	0
Actual return	1,56,922	87,888	33,761	14,158	0	0	0	0

NOTES FORMING PART OF THE ACCOUNTS

C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

(₹ in thousand)

Particulars	Pension	Pension	Gratuity	Gratuity	Leave* Salary	Leave* Salary	Settlement	Settlement
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Present Value of Obligation	13,03,844	1,159,320	301,229	183,862	227,340	221,462	12,195	10,648
Fair Value of Plan Assets	12,72,735	923,723	225,554	195,961	0	0	0	0
Unfunded Net Asset / (Liability) Recognised in Balance Sheet	(31,109)	(235,597)	(75,675)	12,099	(227,340)	(221,462)	(12,195)	(10,648)

* EL + SL

D) Expenses recognised in the Profit and Loss Account

(₹ in thousand)

For year ending 31st March, 2015	Pension	Gratuity	Leave Salary*	Settlement
Current Service Cost	92,567	14,410	19,628	576
Interest Cost	88,920	14,033	16,292	969
Curtailment Cost / (Credit)	0	0	0	0
Settlement Cost / (Credit)	0	0	0	0
Expected Return on Plan Assets	(95,942)	(15,146)	0	0
Net actuarial (gains)/losses recognized in the period	(44,774)	74,477	(30,042)	0
Total Expenses recognized in the Profit & Loss A/c	40,771	87,774	5878	1,545

* EL + SL

(₹ in thousand)

For year ending 31st March, 2014	Pension	Gratuity	Leave Salary*	Settlement
Current Service Cost	57,635	9,452	39,720	928
Interest Cost	79,363	16,358	14,807	801
Curtailment Cost / (Credit)	0	0	0	0
Settlement Cost / (Credit)	0	0	0	0
Expected Return on Plan Assets	(78,495)	(14,787)	0	0
Net actuarial (gains)/losses recognized in the period	173,736	(17,731)	1,320	119
Total Expenses recognized in the Profit & Loss A/c	232,239	(6,708)	55,847	1,848

* EL + SL

NOTES FORMING PART OF THE ACCOUNTS

E) Plan Assets

(In %)

Particulars	Pension	Pension	Gratuity	Gratuity	Leave* Salary	Leave Salary	Settlement	Settlement
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Government Securities {Central & State}	55.06	54.00	55.06	54.00	0.00	0.00	0.00	0.00
High quality Corporate Bonds	39.76	46.00	39.76	40.00	0.00	0.00	0.00	0.00
Others	5.19	0.00	5.19	6.00	0.00	0.00	0.00	0.00

* EL + SL

F) Actuarial Assumption

(In %)

Particulars	Pension	Pension	Gratuity	Gratuity	Leave* Salary	Leave Salary	Settlement	Settlement
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Discount Rate	7.85	9.10	7.72	9.10	7.72	9.10	7.72	9.10
Expected return on assets	9.00	9.00	8.00	8.00	0.00	0.00	0.00	0.00
Salary Escalation**	10.00	16.00	12.00	12.00	12.00	12.00	12.00	10.00
Attrition/ withdrawal Rate	2.00	3.00	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

** Including increase in pension - 6% (previous year NIL)

G) Other Disclosures

Pension

(₹ in thousand)

Particulars	2014-15	2013 - 14	2012 - 13	2011 - 12	2010 - 11	2009 - 10
Experience Adjustment						
On obligation	16,205	183,129	42,677	121,258	59,993	433
On plan assets	60,980	9,392	4,330	45,829	29,683	30,647
Present Value of obligation	13,03,844	115,9320	905,058	844,290	701,951	626,304
Fair Value of plan assets	12,72,735	923,723	845,167	740,697	602,006	521,165
Excess of obligation over plan assets	31,109	235,597	59,891	103,594	99,945	105,139

NOTES FORMING PART OF THE ACCOUNTS

Gratuity

(₹ in thousand)

Particulars	2014-15	2013 - 14	2012 - 13	2011 - 12	2010 - 11	2009 - 10
Experience Adjustment						
On obligation	93,092	(18,360)	(9,536)	20,905	32,456	2,276
On plan assets	18,615	629	7,322	(2,709)	(5,504)	106
Present Value of obligation	301,229	183,862	183,101	177,284	148,538	106,398
Fair Value of plan assets	225,554	195,961	187,826	138,960	101,650	97,215
Excess of obligation over plan assets	75,675	(12,099)	(4,725)	38,324	46,888	9,183

Leave salary

(₹ in thousand)

Particulars	2014-15	2013 - 14	2012 - 13	2011 - 12	2010 - 11	2009 - 10
Experience Adjustment						
On obligation	(30,042)	1,320	(1,268)	65,463	6,199	40
On plan assets	0	0	0	0	0	0
Present Value of obligation	0	221,463	165,615	149,795	81,672	73,112
Fair Value of plan assets	0	0	0	0	0	0
Excess of obligation over plan assets	227,340	221,463	165,615	149,795	73,112	70,736

Settlement

(₹ in thousand)

Particulars	2014-15	2013 - 14	2012 - 13	2011 - 12	2010 - 11	2009 - 10
Experience Adjustment						
On obligation	0	119	156	322	(522)	(527)
On plan assets	0	0	0	0	0	0
Present Value of obligation	12,195	10,648	8,800	7,250	6,850	6,850
Fair Value of plan assets	0	0	0	0	0	0
Excess of obligation over plan assets	12,195	10,648	8,800	7,250	6,850	6,850

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

15. Additional Provision of 52,571 thousand has been made in respect of Reserve for Unexpired Risk as required by IRDA for 2014-15 for London Branch (Previous year 54,188 thousand).

NOTES FORMING PART OF THE ACCOUNTS

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

Particulars	2014-15	2013-14
Basic and Diluted EPS	₹ 626	₹ 524
Profit after Tax	₹ 26,937,205 thousand	₹ 22,531,745 thousand
Number of equity shares	43,000,000	43,000,000
Nominal value of share	₹ 100/-	₹ 100/-

17. The Corporation has prepared Cash flow statement adopting the indirect method.

18. Tax liabilities in respect of foreign operation, if any, is accounted on actual basis.

19. Prior period items have not been separately disclosed, as the amount is not material.

20. The summary of the financial statements of the Corporation for the last five years is as per Annexure I.

21. The Accounting Ratios of the Corporation are stated in Annexure II.

22. a) The details on account of revaluation included in the

Claims incurred net are as under:

(₹ in thousand)

Class of Business	Amount
Fire	-1,073,124 INR
Life	-9,774 INR
Marine	-42,284 INR
Miscellaneous	-445,854 INR
Total	-1,571,036 INR

b) Reference / Benchmark Exchange Rates :

	Average INR Rate {April'14 to March'15}	Average INR Rate {April'13 to March'14}	Closing INR Rate {31.03.2015}	Closing INR Rate {31.03.2014}
AED	16.63829	16.44895	16.91574	16.33723
GBP	98.44635	96.11379	92.0851	99.98033
MYR	18.25974	18.856	16.80365	18.38952
USD	61.11090	60.41398	62.1315	60.00500
EURO	77.35045	81.05686	66.86592	82.62689

NOTES FORMING PART OF THE ACCOUNTS

23. Details of the penalty payable by the Corporation during the year 2014-15 are given below:

SL No.	Authority	Non-Compliance/ Violation	Amount in ₹		
			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, 1956	NIL	NIL	NIL	NIL
7	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	NIL	NIL	NIL	NIL
8	Securities and Exchange Board of India	NIL	NIL	NIL	NIL
9	Competition Commission of India	NIL	NIL	NIL	NIL
10	Any other Central/State/ Local Government / Statutory Authority	NIL	NIL	NIL	NIL

24. Performance of Overseas Branches:

(₹ in thousand)

	Dubai	Malaysia	London
Gross Premium	1,86,27,431	81,63,615	43,14,581
Net Premium	1,79,56,760	78,86,515	36,97,299
Earned Premium	1,75,55,856	89,50,325	37,69,257
Incurred Claims	1,98,49,528	87,21,153	21,35,043
Net Commission	42,13,324	22,32,006	8,31,261
Expenses of Management	2,25,718	35,659	1,24,297
Profit/-Loss on Exchange	-6,53,511	7,42,376	1,24,381
Underwriting Profit/Loss	-73,86,225	-12,96,117	8,03,037
Net Inv. Income in Rev. A/c	3,12,478	1,19,078	1,45,411
Revenue Profit/Loss	-70,73,747	-11,77,039	9,48,448

NOTES FORMING PART OF THE ACCOUNTS

25. As per the Ministry of Finance guidelines, Corporation has proposed dividend of ₹ 64, 99,332 thousand (including dividend distribution tax), out of the current year profit.
26. During the year, the Corporation has made a provision of ₹ 365,702 thousand (Previous Year ₹ 470,346 thousand) towards unexpired risk reserve for life business as determined by Life Appointed Actuary, as per IRDA guidelines. (Excluding Re-takaful business)
27. (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 deprecation method.
- (b) Pursuant to the enactment of the Companies Act 2013, the corporation has applied the estimated useful lives as specified in schedule II. Accordingly the un-amortized carrying value is being depreciated / amortized over the revised / remaining useful lives. The written down value of fixed assets whose lives have expired as at April 01, 2014 have been charged to Profit and Loss Account.
28. The actuary has adopted chain ladder method for IBNR provision for non-life business. This method assumes that for immediately short period of six months, outcome is likely to broadly follow past trend or at least not likely to impact significantly.
29. The balance of amount of service tax is subject to reconciliation with service tax returns. The financial impact thereof is not material.
30. Figures relating to the previous year have been regrouped / rearranged, wherever necessary.

As per our report of even date

For MANUBHAI & SHAH

Chartered Accountants
Firm Regn No. 106041W

KRISHNAKANT B. SOLANKI

Partner
Membership No.: 110299

Mumbai

Dated : 30.05.2015

For GBCA & ASSOCIATES

Chartered Accountants
Firm Regn No. 103142W

HITESH PASAD

Partner
Membership No.: 106944

A K Roy

Chairman-cum-Managing Director

Snehlata Shrivastava

Director

G. Srinivasan

Director

N Mohan

GM Finance

Suchita Gupta

Company Secretary

Arun Tiwari

Director

Doulat Raj Mohnot

Director

Alice G. Vaidyan

CFO

SUMMARY OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2015

(₹ In lakh)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
OPERATING RESULTS					
1 Gross Premium	1518397	1468012	1508587	1361795	1168127
2 Net Premium Income	1385701	1321262	1377123	1255824	1051258
3 Income from investments (net)	302482	256880	220530	141707	133713
4 Profit on Exchange Fluctuation	-5843	23855	12640	1065	-2041
5 Total Income	1682340	1601997	1610293	1398596	1182930
6 Commissions (Net) (Including Brokerage)	278425	244899	290575	206663	192635
7 Operating Expenses	15944	17829	11214	10305	7603
8 Net Incurred Claims	1189177	1210729	1094234	1398641	862578
9 Change in Unexpired Risk Reserve	29876	-39620	44945	124251	96854
9a Premium Deficiency	5846	0	-14147	14147	0
10 Operating Profit/loss	163072	168160	183472	-355411	23260
NON-OPERATING RESULT					
11 Total Income under Shareholders account (Net)	119651	62184	54745	106344	95675
12 Profit/(loss) before tax	282723	230344	238217	-249067	118935
13 Provision for tax	13351	5026	3755	-2192	15594
14 Profit/(loss) after tax	269372	225318	234462	-246875	103341
MISCELLANEOUS					
15 <u>Policy holders Account :</u>					
Total funds	2701832	2702451	2602203	2385800	1663700
Total Investments	3948334	3356775	3034009	2748688	2513658
Yield on Investments	14.08	12.13	10.13	10.37	12.56
16 <u>Shareholders Account :</u>					
Total funds	1300161	1096858	965456	768546	992599
Total Investments	1624172	1208808	963601	1622452	1651028
Yield on Investments	14.08	12.13	10.13	10.37	12.56

Annexure - I

SUMMARY OF FINANCIAL STATEMENTS

(₹ In lakhs)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
17 Paid up equity Capital	43000	43000	43000	43000	43000
18 Net worth	1300161	1096858	965456	768546	992599
19 Total assets	7809332	6699186	5993989	5373092	4972856
20 Yield on total investments	14.08	12.13	10.13	10.37	12.56
21 Earnings per share (₹)	626	524	545	-574	240
22 Book Value per share (₹)	3024	2551	2245	1787	2308
23 Total Dividend	54000	44935	46870	0	20640
24 Dividend per share (₹)	126	105	109	0	48

As per our report of even date

For MANUBHAI & SHAHChartered Accountants
Firm Regn No. 106041W**KRISHNAKANT B. SOLANKI**Partner
Membership No.: 110299Mumbai
Dated : 30.05.2015**For GBCA & ASSOCIATES**Chartered Accountants
Firm Regn No. 103142W**HITESH PASAD**Partner
Membership No.: 106944**A K Roy**

Chairman-cum-Managing Director

Snehlata Shrivastava

Director

G. Srinivasan

Director

N Mohan

GM Finance

Suchita Gupta

Company Secretary

Arun Tiwari

Director

Doulat Raj Mohnot

Director

Alice G. Vaidyan

CFO

PERFORMANCE RATIOS

Performance Ratio	Ratio / Percentage			
	Twelve months ending 31.03.2015		Twelve months ending 31.03.2015	
	Domestic Total	Foreign Total	Domestic Total	Foreign 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	7.7	-12.1	20.5	23.9
Motor Insurance	18.2	-5.1	-25.3	12.7
Aviation Insurance	151.0	46.3	-19.3	-1.0
Engineering insurance	-11.7	-1.4	5.9	29.2
W.C.	-17.2	-49.0	-51.4	24.1
Liability	48.5	-38.4	-51.9	60.0
PA	6.1	-69.1	-26.1	-26.1
Health	27.6	28.5	-39.9	73.6
Other Miscellaneous Insurance	-4.0	-28.4	21.4	-27.9
FL/Credit	-42.9	-41.5	-10.0	19.9
Marine Cargo	-0.1	-14.9	-33.3	14.2
Marine Hull	27.0	0.5	1.5	-15.3
Life	24.3	29.4	135.3	-59.7
2 Gross Premium to Net worth ratio : (Gross premium for the current year divided by paid up capital and free reserves)	116.8		133.8	
3 Growth rate of Net Worth (Net worth as at the current balance sheet date divided by Net worth as at the previous balance sheet date)	18.5		18.7	
4 Net retention ratio (segment wise) (Net premium divided by gross premium)				
Fire Insurance	67.9	92.6	62.3	87.4
Motor Insurance	100.0	100.0	100.0	100.0
Aviation Insurance	88.8	85.2	67.9	84.4
Engineering insurance	79.9	100.0	82.0	99.1
W.C.	100.0	100.0	100.0	100.0
Liability	87.2	100.0	79.0	100.0
PA	99.5	100.0	99.3	100.0
Health	100.0	100.0	100.0	100.0
Other Miscellaneous Insurance	83.3	100.0	91.9	100.0
FL/Credit	100.0	100.0	100.0	100.0
Marine Cargo	84.3	100.0	77.6	100.0
Marine Hull	68.9	88.7	61.9	91.9
Life	74.3	84.7	76.6	98.8

Annexure - II

PERFORMANCE RATIOS

Performance Ratio	Ratio / Percentage			
	Twelve months ending 31.03.2015		Twelve months ending 31.03.2015	
	Domestic Total	Foreign Total	Domestic Total	Foreign Total
5 Net commission ratio (segment wise) (Commission paid net of reinsurance commission divided by net written premium for that segment)				
Fire Insurance	21.3	25.8	0.1	24.6
Motor Insurance	15.0	23.7	12.8	26.6
Aviation Insurance	6.8	17.2	21.8	14.1
Engineering insurance	23.7	31.6	25.7	31.8
W.C.	15.0	13.7	12.9	9.7
Liability	15.5	26.9	20.7	16.8
PA	17.5	34.0	16.2	20.7
Health	11.5	6.9	16.9	12.5
Other Miscellaneous Insurance	25.8	82.5	16.7	45.3
FL/Credit	16.6	30.7	19.9	9.4
Marine Cargo	15.3	32.7	15.7	32.8
Marine Hull	17.2	18.8	4.3	22.0
Life	3.4	19.8	4.6	7.7
6 Expenses of management to gross premium ratio (Expenses of management divided by Gross premium)	1.1		1.2	
7 Expenses of management to Net written premium ratio (Expenses of management divided by Net written premium)	1.2		1.3	
8 Net Incurred Claims to Net Earned Premium	87.7		89.0	
9 Combined ratio : (Net Incurred Claims divided by Net Earned Premium plus expenses of management (including net commission) divided by Net written premium)	109.0		108.9	
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))	195.0		204.5	
11 Underwriting balance ratio:	-9.6		-6.7	
12 Operating profit ratio: (Underwriting profit/ loss plus investment income divided by net premium)	11.8		12.7	

PERFORMANCE RATIOS

Performance Ratio	Ratio / Percentage			
	Twelve months ending 31.03.2015		Twelve months ending 31.03.2015	
	Domestic Total	Foreign Total	Domestic Total	Foreign Total
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))	34.4		34.9	
14 Net earnings ratio: (Profit after tax divided by net premium)	19.4		17.1	
15 Return on net worth (Profit after tax divided by net worth)	20.7		20.5	
16 Available Solvency Margin (ASM) to Required Solvency Margin: (RSM) ratio (Ratio of Available Solvency Margin (ASM) at the end of the Quarter to the Required Solvency Margin (RSM) required to be maintained as per regulations.)	3.04		2.73	
17 NPA ratio	0.79		0.86	

As per our report of even date

For MANUBHAI & SHAHChartered Accountants
Firm Regn No. 106041W**KRISHNAKANT B. SOLANKI**Partner
Membership No.: 110299Mumbai
Dated : 30.05.2015**For GBCA & ASSOCIATES**Chartered Accountants
Firm Regn No. 103142W**HITESH PASAD**Partner
Membership No.: 106944**A K Roy**

Chairman-cum-Managing Director

Snehlata Shrivastava

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GM Finance

Suchita Gupta

Company Secretary

Arun Tiwari

Director

Doulat Raj Mohnot

Director

Alice G. Vaidyan

CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 AS PER INDIRECT METHOD

(₹ in thousands)

	31st March 2015	31st March 2014
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation as per Profit & Loss A/c	28272 347	23034 364
Adjustments for:		
Exchange -Loss/Gain charged	859 451	-3321 141
Provision for diminution in value of investment	588 077	1111 486
Provision for doubtful loans, investments & Debts	1107 131	1248 847
Amortisation of Premium on Investment	181 025	200 694
Depreciation	92 462	71 577
-Profit /Loss on sale of Assets	- 167	232
Provision for Leave Encashment & Salary Arrears	-56 489	270 101
Sundry Balances Written off/ -back	0 2771 490	0 -418 204
Operating Profit before working capital changes	31043 837	22616 160
Changes in Unexpired Risk Reserves	2987 612	-3513 478
Changes in Premium Deficiency Reserve	584 596	0
Changes in Provisions for Outstanding Claims	-3634 095	13538 262
Changes in Income accrued on Investments	-857 789	-649 234
Changes in Balances with Insurance Companies	165 893	1610 724
Changes in Advance and Deposits	-14031 392	-13505 234
Changes in other Current Liabilities	7230 054 -7555 121	7405 899 4886 939
Cash generated from operations	23488 716	27503 099
Income Tax Paid (Net)	2224 903	557 267
Net Cash from Operating Activities	25713 619	28060 366
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-327 078	-667 798
Proceeds from sale of Fixed Assets	1 617	541

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 AS PER INDIRECT METHOD

	31st March 2015	31st March 2014
Foreign Currency Translation Reserve	-1322 146	4930 206
Changes in net Investments	<u>-24691 185</u>	<u>-28481 020</u>
Net Cash used in Investing Activities	<u>-26338 792</u>	<u>-24218 071</u>
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid	-3311 000	-5869 500
Dividend Tax Paid	<u>-562 705</u>	<u>-997 522</u>
Net Cash from Financing Activities	<u>-3873 705</u>	<u>-6867 022</u>
D) Effect of Foreign Exchange on Cash & Cash equivalents(Net)	-859 451	3321 141
Net increase in Cash and Cash equivalents (A+B+C+D)	-5358 329	296 414
Cash and Cash equivalents at beginning of the period	82639 203	82342 788
Cash and Cash equivalents at the end of the period	77280 874	82639 202

As per our report of even date

For MANUBHAI & SHAHChartered Accountants
Firm Regn No. 106041W**KRISHNAKANT B. SOLANKI**Partner
Membership No.: 110299

Mumbai

Dated : 30.05.2015

For GBCA & ASSOCIATESChartered Accountants
Firm Regn No. 103142W**HITESH PASAD**Partner
Membership No.: 106944**A K Roy**

Chairman-cum-Managing Director

Snehlata Shrivastava

Director

G. Srinivasan

Director

N Mohan

GM Finance

Suchita Gupta

Company Secretary

Arun Tiwari

Director

Doulat Raj Mohnot

Director

Alice G. Vaidyan

CFO

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	16133	State Code	11
Balance Sheet Date	31/03/2015		

II. Capital Raised During the year (Amount in ₹ thousand)

Public Issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placement	N I L

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ thousand)

Total Liabilities	41 94 04 952	Total Assets	41 94 04 952
-------------------	--------------	--------------	--------------

Sources of Funds

Paid-up Capital	43 00 000	Reserves & Surplus	13 36 36 500
Secured Loans	N I L	Unsecured Loans	N I L
Deffered Taxation Liability	0	Fair Value Change Account	28 14 68 452

Application of Funds

Net Fixed Assets	13 76 270	Investment	56 11 89 075
Net Current Assets	-14 33 35 098	Misc. Expenditure	N I L
Accumulated Losses	N I L	Deffered Tax Asset	174 705

IV. Performance of Company (Amount in ₹ thousand)

Turnover	17 98 92 703	Total Expenditure	15 16 20 356
Profit/ Loss Before Tax	2 82 72 347	Profit/ Loss After Tax	2 69 37 205
Earning per Share in (₹)	626.45	Dividend @ %	125.58

V. Generic Name of The Principal Products/Services of Company (as per Monetary terms)

Item Code No.	NOT APPLICABLE
Product Description	REINSURANCE SERVICE

PERFORMANCE HIGHLIGHTS

(₹ & \$ in '000)

	as on 31.03.2015		as on 31.03.2014	
	₹	\$	₹	\$
Gross Premium	151 839 660	2 443 843	146 801 163	2 446 278
Net Premium	138 570 134	2 230 272	132 126 162	2 201 736
Net Earned Premium	135 582 524	2 182 187	136 088 132	2 267 758
Net Claims	118 917 718	1 913 968	121 072 942	2 017 546
% to Earned Premium	87.7%	87.7%	89.0%	89.0%
Net Commission	27 842 524	448 123	24 489 865	408 096
% to Earned Premium	20.5%	20.5%	18.0%	18.0%
Operating Expenses and Other				
Outgo less Other Income	2 178 676	35 066	- 602 598	- 10 042
Premium Deficiency	584 596	9 409	0	0
Investment Income Less Expenses				
apportioned to Revenue a/c	30 248 157	486 841	25 688 031	428 063
Revenue Profit/Loss(-)	16 307 167	271 871	16 815 954	280 219
Investment Income Less Expenses				
apportioned to P/L a/c	12 276 980	197 597	9 122 187	152 011
Other Income less Other Outgo	1 564 433	25 179	- 342 750	- 5 712
Res. for Doubtful Debts, Investment				
W/off & Amortisation of Prem.on Inv.	1 876 233	30 198	2 561 028	42 677
PROFIT BEFORE TAX	28 272 347	464 449	23 034 364	383 842
Provision for tax including deferred tax	1 335 142	21 489	502 619	8 376
PROFIT AFTER TAX	26 937 205	442 961	22 531 745	375 467
ASSETS:				
Investments	557 250 627	8 968 891	456 558 321	7 608 037
Loans	3 938 449	63 389	4 240 508	70 663
Fixed Assets	1 376 270	22 151	1 143 104	19 049
Deferred Tax Asset	174 705	2 812	67 075	1 118
Cash and Bank Balances	77 280 875	1 243 828	82 639 203	1 377 091
Advances and Other Assets	140 912 228	2 267 968	125 270 373	2 087 492
TOTAL ASSETS	780 933 153	12 569 037	669 918 583	11 163 449
LIABILITIES:				
Share Capital	4 300 000	69 208	4 300 000	71 655
Reserve and Surplus	133 636 500	2 150 866	114 520 773	1 908 361
Deferred Tax Liabilities	0	0	0	0
Fair Value Change Account	281 468 452	4 530 205	205 000 288	3 416 102
Current Liabilities & Provisions	361 528 200	5 818 759	346 097 522	5 767 331
TOTAL LIABILITIES	780 933 153	12 569 037	669 918 583	11 163 449

1 US\$ = ₹ 62.15 as on 31.03.2015

1 US\$ = ₹ 60.05 as on 31.03.2014

(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

NOTES

NOTES



आपत्काले रक्षिष्यामि
GIC Re SA Ltd.

GIC RE SOUTH AFRICA LTD

ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

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:
YR Sunkara
Managing Director

GIC RE SOUTH AFRICA LTD

REGISTRATION NUMBER 1956/003037/06

ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

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DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the annual financial statements of GIC Re South Africa Ltd, comprising the statement of financial position as at 31 March 2015, 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 is 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 13 July 2015 and are signed on their behalf by

YR Sunkara

Authorised Managing Director

AK Roy

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 2015, the company has lodged with the Registrar of Companies all such returns that are required by the Companies Act, and that all such returns are to the best of my knowledge and belief, true, correct and up to date.

I Blaikie

Company Secretary

AUDIT COMMITTEE REPORT

In addition to having specific statutory responsibilities, the audit committee is a sub-committee of the board of directors. It assists the board through advising and making recommendations on financial reporting, oversight of financial risk management and internal financial controls, external audit functions and statutory and regulatory compliance of the company. General risk

management remains the responsibility of the board.

Terms of reference

The audit committee has adopted 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 April 2014	B Compt Hons CA(SA)	Chairman	Yes
N Mohan	24 April 2014	FCII, B Com, ICSI India	Member	No
J Bagg	24 April 2014	B.Sc. FASSA, FIA, ASA	Member	Yes

The executive directors and external auditor attend the committee meetings by invitation only. The external auditor has unrestricted access to the audit committee.

Meetings

The audit committee held two meeting during the period. Attendance at this meeting is shown below:

20 Oct. 2014 06 Mar. 2015

Members

S Bhikha	Yes	Yes
N Mohan	Yes	Yes
J Bagg	Yes	Yes

Guests

YR Sunkara (Managing Director & CEO)	Yes	Yes
A Malherbe (External Auditor)	Yes	No
A Vos (External Auditor)	Yes	Yes

Statutory duties

In the execution of its statutory duties, as required in terms of the Companies Act, during the past financial period the audit committee has:

Ensured the appointment as external auditor of the company of a registered auditor who, in the opinion of the audit committee, was 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 period taking into account all other non-audit services performed and circumstances known to the committee.

Confirmed that there were no complaints relating to the accounting practices of the company, the content or auditing of its financial statements, the internal financial controls of the company, or to any related matter.

Based on reports from the external auditor, and appropriate inquiries, made submissions to the board on any matter concerning the company's accounting policies, financial control, records and reporting, including input to the board's statement regarding control effectiveness.

Legal requirements

The audit committee has complied with all applicable legal, regulatory and other responsibilities for the period under review.

Annual financial statements

Following our review of the annual financial statements of GIC Re South Africa Ltd for the period ended 31 March 2015, 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 2015 and the results of operations and cash flows for the period then ended.

S Bhikha

Chairman of the audit committee

13 July 2015

INDEPENDENT AUDITOR'S REPORT

To the shareholder of GIC Re South Africa Limited

Report on the financial statements

We have audited the financial statements of GIC Re South Africa Limited, which comprise the statement of financial position at 31 March 2015, 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, as set out on pages 15 to 51.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of GIC Re South Africa Limited at 31 March 2015, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the 15 months ended 31 March 2015, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified inconsistencies between these reports and audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

KPMG Inc.
Registered Auditor

Per Antoinette Malherbe
Chartered Accountant (SA)
Registered Auditor
Director
16 July 2015

Private Bag 9
Parkview
2122

KPMG Crescent
85 Empire Road
Parktown
2193

GIC RE SOUTH AFRICA LTD.
STATUTORY ACTUARY'S REPORT (LIFE BUSINESS)
AS AT 31 MARCH 2015
STATEMENT OF ASSETS, LIABILITIES,
EXCESS ASSETS AND CAPITAL REQUIREMENTS

Particulars	15 months ended 31 March 2015 ₹ '000	12 months ended 31 December 2013 R '000
Published Reporting Basis		
Total value of life assets as per statement of financial position	39 565	40 728
Actuarial value of policy liabilities	15 091	19 079
Current and other liabilities as per the life statement of financial position	2 606	3 062
Total value of liabilities	17 697	22 141
Excess Assets	21 867	18 587
Statutory Basis		
Total value of assets as per life statement of financial position	39 565	40 728
Disallowed assets	(546)	(546)
Value of assets on the Statutory Basis	39 019	40 182
Actuarial value of life policy liabilities	15 091	19 079
Current and other liabilities as per life statement of financial position	2 606	3 062
Total value of liabilities	17 697	22 141
Excess Assets	21 321	18 041
Capital Adequacy Requirements	10 000	10 000
CAR Cover	213%	180%
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	21 867	18 587
Excess Assets as at beginning of reporting period	18 587	13 596
Change in Excess Assets over the reporting period	3 280	4 991

GIC RE SOUTH AFRICA LTD.
STATUTORY ACTUARY'S REPORT (LIFE BUSINESS)
AS AT 31 MARCH 2015
STATEMENT OF ASSETS, LIABILITIES,
EXCESS ASSETS AND CAPITAL REQUIREMENTS

Particulars	15 months ended 31 March 2015 ₹ '000	12 months ended 31 December 2013 R '000
The change in the excess assets is due to the following factors:		
Investment return generated by excess assets over liabilities:		
Investment income	979	414
Capital appreciation	260	419
Total investment return on excess assets	1 239	833
Operating profit	728	130
Changes in valuation methods or assumptions	1 313	4 028
Tax		
Reported profit in annual financial statements	3 280	4 991
Dividends paid		
Total change in Excess Assets	3 280	4 991
Reconciliation of Excess Assets between Published Reporting Basis and Statutory Basis		
Excess Assets on Published Reporting Basis	21 867	18 587
Less: Asset Adjustments in terms of Schedule 3 of the Act	(546)	(546)
Excess Assets on Statutory Basis	21 321	18 041

**STATUTORY ACTUARY'S REPORT - LIFE BUSINESS
AS AT 31 MARCH 2015
NOTES TO THE STATEMENT OF ASSETS, LIABILITIES,
EXCESS ASSETS AND CAPITAL REQUIREMENTS**

Changes in Published Reporting Valuation Methods or Assumptions

The value of net liabilities as at 31 March 2015 reduced by R1.313 million as a result of changes to the valuation assumptions. This excludes the change in the IBNR which is not treated as a basis change as it just reflects the actual run-off pattern of the business.

The main assumption changes were as follows (all assumptions include compulsory margins): -

The expense inflation assumption for PHI and WOP business reduced from 6.33% to 5.49% p.a. due to changes in the inflation curve;

A discretionary margin of 7.5% was introduced on the UPR to allow for approximations in the calculations of the average renewal date (and given the change in the year end date); and,

The contingency reserve was released due to the improved operating ratio.

Published Reporting Valuation Methods and Assumptions

The valuation was performed using the Statutory Valuation Method for insurance contracts. Assets and policy liabilities have been valued on methods and assumptions that are consistent with each other.

The result of the valuation methods and assumptions is that profits are released appropriately over the term of each policy, to avoid premature recognition of profits that may give rise to losses in later years.

Published Reporting Liability Valuation Methods and Assumptions

In the calculation of liabilities, provision has been made for:

- * the best-estimate of the future experience, plus
- * the compulsory margins prescribed by SAP104, plus

- * discretionary margins to ensure the release of profits consistent with policy design and to allow for any additional uncertainty.

The effect of the discretionary margins amounts to R647,464. This is the result of the elimination of negative reserves on certain classes of business as well as the inclusion of a 7.5% margin on the UPR.

The reserves for term, PHI and Waiver of Premium classes were established by discounting the future expected net claims and net expense and commission outgo, less the future net office premiums (if any) on a policy-by-policy basis. The main assumptions (inclusive of compulsory margins as outlined in SAP104) were:

For the Term Business:

Investment return	: 7.25% p.a.
Renewal expenses	: 30% of net premiums
Mortality	: 134.4% of SA85/90 plus 5.4% Doyle Pattern II
Lapse rate	: 7.5% in all years
Commission	: 24% of net premiums

For the WOP and PHI Business:

Investment return	: 7.25% p.a.
Renewal expenses	: R236.42 per policy p.a.
Expense inflation	: 5.49% p.a.
Mortality	: 138.7% of SA85/90
Inception Rate	: 105% of CMIR12 (deferred 14 weeks)
Benefit Escalation	: 6% active; 9% claimants
Premium Escalation	: Benefit escalation + 1%

For risk premium business an Unexpired Risk Reserve was established by multiplying the assumed operating ratio by the Unearned Premium Reserve.

An Incurred But Not Reported (IBNR) reserve of 2.2 months claims was established for risk premium

business while and IBNR of 8 months premium was established for PHI business.

The Profit Commission reserve is the sum of all outstanding payments to be made to cedants plus interest owing on these amounts.

Where credible experience data existed, the parameters were based on experience investigations undertaken during the financial year.

Policyholder reasonable benefit expectations have been allowed for. All contractual obligations have been taken into account. All business is written on a non-profit basis.

Published Reporting Asset Valuation Methods and Assumptions

All assets (including the excess of assets over liabilities) have been valued as described in the notes to the company accounts.

Statutory Capital Adequacy Requirements

The Statutory Capital Adequacy Requirement (CAR) is the additional amount required, over and above the actuarial liabilities, to enable the company to meet material deviations in the main parameters affecting the life 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 2015, 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
13 July 2015

GIC RE SOUTH AFRICA LTD.

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2015

The directors have pleasure in presenting their report for the period ended 31 March 2015.

Business

GIC Re South Africa Ltd is a 100% owned subsidiary of General Insurance Corporation of India (GIC Re), which is fully owned by the Government of India. GIC Re acquired saXum Reinsurance Limited, a composite (Life and Non-Life) reinsurer in April 2014. The Company name was changed from saXum Reinsurance Limited to GIC Re South Africa Limited after the formal approval from the Financial Services Board and the Companies and Intellectual Property Commission.

GIC Re South Africa Ltd holds a composite licence, but to date only short-term reinsurance has been activated. Life Reinsurance is expected to be activated in 2 years time after the company has stabilised.

GIC Re South Africa Ltd's vision is to become known as 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 the right kind of professional attitude in the region.

GIC Re South Africa Ltd's operation in Johannesburg commenced underwriting business from 1 January 2015 and recorded an impressive growth in excess of 40%.

In 2014 South Africa's growth continued to slow down, recording only GDP growth of 1.5%, the weakest performance since the global financial crisis. The nation's economy was affected by its most protracted industrial action since the end of

apartheid and significantly weakened demand from trading partners.

The company has been successfully established despite the adverse economic scenario and made its presence felt in South Africa and the entire Sub-Saharan Africa by achieving an overall growth of 40%.

The above is due to the fact that most of the Sub-Saharan economies are on a growth path with GDP growing at a rate of 5% per annum and above and demand for insurance is likely to continue.

Nevertheless, projections based on improvements in the global economy, the successful completion of major government projects and new investment plans, suggest that natural GDP growth could rebound to 2.0% in 2015. As one of the BRICS (Brazil, Russia, India, China and South Africa) partners, the country is well integrated into the global economy.

Share capital

GIC Re acquired saXum Reinsurance Limited for R25 million, after which and in accordance with the business plan submitted to the FSB, GIC Re recapitalised the company with R100m.

Overview for the year

The results for the year and the financial position of the company are fully disclosed in the attached financial statements.

Dividends

saXum Reinsurance Limited was previously the holding company of saXum Insurance Ltd and Bibleman Holdings and Investments (Pty) Ltd. At the time of acquisition GIC Re only acquired saXum Reinsurance Limited from the group and various loans/intra-company borrowings in the saXum group were unbundled due to the sale of saXum Reinsurance Limited.

Consequently, a dividend in specie, of R42,021,633, was declared, on 24 April 2014, to remove the subsidiaries from saXum Reinsurance Limited, thus completing the acquisition process.

Change in the Financial Year

The company changed its financial year end from 31 December to 31 March. The change in the year end was to align the year end of the company with that of its parent.

Name of Director	Appointment date:
AK Roy (Chairman, Non-executive)	24 April 2014
N Mohan (Non-executive)	24 April 2014 (Retired 31 May 2015)
YR Sunkara (Managing Executive)	24 April 2014
S Bhikha (Independent, non-executive)	24 April 2014
C Moosa (Independent, non-executive)	24 April 2014
J Bagg (Independent, non-executive)	24 April 2014

Directors

The directors in office at the date of this report are :

Directors' interest

No directors have an interest in the company.

Secretary and registered office

I Blaikie is the company secretary. The registered office and office of the secretary are :

15 Eton Road PO Box 1634
Parktown Houghton
2193 2041

Auditor

KPMG Inc.

Company registration number

1956/003037/06

Number of employees

The number of people employed by the company at the end of the year is 11 (2013: 9).

GIC RE SOUTH AFRICA LTD.
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

Particulars		15 months ended 31 March 2015 ₹ '000	12 months ended 31 December 2013 R '000
ASSETS	Note		
Equipment	5	1 585 004	739 549
Investment in subsidiaries	6	-	44 148 080
Technical assets under insurance contracts		124 653 562	8 451 256
Retroceded outstanding claims	7	26 207 193	2 192 225
Retroceded unearned premium reserve	9	78 852 140	-
Retroceded policyholder liabilities	8	5 265 076	6 259 031
Gross deferred acquisition costs	10	14 329 153	-
Investments	11	73 724 899	7 655 323
Deferred taxation	12	5 971 195	5 971 195
Amounts receivable from insurance companies		112 092 397	570 026
Other accounts receivable		2 023 041	932 700
Cash at bank and on hand		33 283 828	15 089 470
Total assets		353 333 926	83 557 599
LIABILITIES AND SHAREHOLDER'S EQUITY			
Technical liabilities under insurance contracts		167 626 647	42 159 910
Gross outstanding claims	7	42 817 278	16 821 562
Gross policyholder liabilities under			
life insurance contracts	8	20 356 542	25 338 348
Gross unearned premium reserve	9	87 613 488	-
Retroceded deferred acquisition cost	10	16 839 339	-
Deposits withheld from retrocessionaires		80 392 245	-
Amounts payable to insurance companies		17 674 446	11 934 222
Accrual for leave pay	13	43 765	50 713
Other accounts payable		956 361	4 047 507
Total liabilities		266 693 464	58 192 352
SHAREHOLDER'S EQUITY			
Share capital	14	111 500 000	11 500 000
Revaluation reserve	15	1 392 622	(9 103 613)
Retained earnings		(26 252 160)	22 968 860
Total shareholder's equity		86 640 462	25 365 247
Total liabilities and shareholder's equity		353 333 926	83 557 599

GIC RE SOUTH AFRICA LTD.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2015

Particulars		15 months ended 31 March 2015 ₹ '000	12 months ended 31 December 2013 R '000
	Note		
Gross premiums written		155 877 705	16 281 844
Retroceded premiums		(129 976 349)	(5 779 472)
Net premiums written		25 901 356	10 502 372
Change in provision for unearned premiums	9	(8 761 348)	-
Gross		(87 613 488)	-
Reinsured		78 852 140	-
Net premium earned		17 140 008	10 502 372
Commission income	18	11 848 833	669 036
Net investment income	16	4 739 502	(6 554 608)
Decrease in net life policyholder liabilities	8	3 987 851	6 079 480
Net income		37 716 194	10 696 280
Claims incurred, net of reinsurance	17	(12 715 911)	(5 837 977)
Commission expense	18	(10 788 390)	(319 934)
Interest paid		(142 343)	(425 731)
Investment management expenses		(374 443)	(522 779)
Management expenses	19	(10 204 020)	(9 056 216)
Foreign exchange loss		(194 239)	(2 224 792)
Profit/(loss) before taxation	20	3 296 848	(7 691 149)
Taxation	21	-	-
Profit/(loss) for the year		3 296 848	(7 691 149)
Other comprehensive income for the year, net of taxation			
Total comprehensive profit/(loss) for the year		3 296 848	(7 691 149)

GIC RE SOUTH AFRICA LTD.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2015

Particulars	Share capital ₹	Revaluation reserve ₹	Retained earnings ₹	Total ₹
31 March 2015				
Balance as at 1 January 2014	11 500 000	(9 103 613)	22 968 860	25 365 000
Share issue	100 000 000	-	-	100 000 000
Non-life	100 000 000	-	-	100 000 000
Total comprehensive profit for the period	-	-	3 296 848	3 296 848
Non-life	-	-	17 624	17 624
Life	-	-	3 279 224	3 279 224
Dividend in specie	-	-	(42 021 633)	(42 021 633)
Non-life	-	-	(42 021 633)	(42 021 633)
Transfer to reserves				
Revaluation of investments	-	10 496 235	(10 496 235)	-
Balance as at 31 March 2015	111 500 000	1 392 622	(26 252 160)	86 640 462
31 December 2013				
Balance as at 1 January 2013	11 500 000	(1 050 204)	22 606 600	33 056 396
Total comprehensive loss for the year	-	-	(7 691 149)	(7 691 149)
Non-life	-	-	(12 681 816)	(12 681 816)
Life	-	-	4 990 667	4 990 667
Transfer from reserves				
Revaluation of investments	-	(8 053 409)	8 053 409	-
Balance as at 31 December 2013	11 500 000	(9 103 613)	22 968 860	25 365 247

GIC RE SOUTH AFRICA LTD.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2015

Particulars		15 months ended 31 March 2015 ₹ '000	12 months ended 31 December 2013 R '000
	Note		
Cash flows from operating activities			
Cash utilised by operations	27.1	(21 246 110)	(3 927 129)
Interest received		6 487 627	1 089 684
Interest paid		(142 343)	(425 731)
Dividends received		74 518	332 920
Net cash outflow from operating activities		(14 826 308)	(2 930 256)
Cash flows from investing activities			
Net (acquisition)/disposal of investments		(65 765 772)	2 468 174
Additions to property and equipment		(1 805 721)	(6 658)
Proceeds on disposal of equipment		592 159	800 000
Disposal of shares in investment in subsidiary		-	(10 000 000)
Acquisition of shares in investment in subsidiary		-	10 000 000
Net cash (outflow)/inflow from investing activities		(66 979 334)	3 261 516
Net (decrease)/increase in cash and cash equivalents		(81 805 642)	331 260
Cash flows from financing activities			
Shares issued		100 000 000	-
Cash and cash equivalents			
At the beginning of year		15 089 470	14 758 210
At the end of year	27.2	33 283 828	15 089 470

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

1 Accounting policies

1.1 Statement of compliance

The financial statements of the company are prepared on the going concern basis and in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa. The accounting policies set out below have been applied consistently to all years presented in the financial statements.

1.2 Basis of preparation

The company is domiciled in South Africa and its reporting currency is Rand. The company changed its financial year-end from 31 December to 31 March to align with the year-end of its parent company. The amounts presented as comparative figures are the twelve months to 31 December 2013 and are not entirely comparable with the fifteen months ended 31 March 2015.

Basis of measurement

The financial statements are prepared on the historical cost basis, adjusted by the revaluation of investments to fair value.

Use of estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The most significant judgements, estimates and assumptions relate to technical provisions and liabilities under insurance contracts detailed in note 4.

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 Investment in subsidiaries

Subsidiaries are those entities over whose financial and operating policies the company has the power to exercise control, so as to obtain benefits from their activities.

The investments in the subsidiaries are stated at fair value. 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 is calculated on an annual basis. Increases or decreases in the carrying value of these investments are credited or charged to profit and loss. A transfer is then made to or from the revaluation reserve, net of deferred tax.

1.5 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:

Furniture, fittings and equipment	6 years
Computer equipment	3 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.

1.6 Outstanding and unintimated claims

Provisions are made for claims incurred up to the reporting date. The provisions exclude Value Added Tax but include an estimate for future claims handling costs.

1.7 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.

1.8 Deposits

Deposits retained on retrocession placed are stated at amortised cost.

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 gain 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 treaty business and the 365 days basis for facultative business.

1.11 Commission expense

Acquisition costs comprise commission and other variable costs directly connected with the acquisition or renewal of insurance policies. Commission expenses are charged to profit or loss as incurred and include commission, brokerage, taxes, and profit commission which is paid to cedants based on the performance of the contracts underwritten.

1.12 Investment income

Interest income is recognised as it accrues, using the effective interest method. Dividends are recognised when the right of receipt is established.

1.13 Gain or loss on realisation of investments

Gains or losses on realisation of investments are calculated on a weighted average basis.

1.14 Income tax

Income tax on profit and loss for the year comprises current and deferred tax. Income

tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity, or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.15 Provisions

A provision is recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

1.16 Impairment

The carrying amounts of the company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset is impaired, its recoverable amount is estimated. The recoverable amount is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount. In assessing the value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of amortisation) had an impairment loss not been recognised in prior years.

1.17 Financial instruments

Financial assets are recognised when the company becomes a party to the contractual terms that comprise an asset. On initial recognition these instruments are recognised at fair value or for financial instruments not carried at fair value, the cost thereof, including transaction costs. Subsequent to initial recognition, these instruments are measured as set out below:

Investments

Investments are classified at fair value through profit or loss. The investments are managed and their performance evaluated and reported internally on a fair value basis in terms of a documented investment strategy. The fair value of listed investments is measured with reference to their quoted bid prices at the reporting date.

Trade and other receivables

Trade and other receivables are stated at amortised cost using the effective interest rate method, less any impairment losses.

Cash and Cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Cash and cash equivalents are stated at amortised cost.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisations.

Derecognition

A financial asset is derecognised when the company loses control over the contractual rights that comprise an asset and consequently transfers the risks and benefits associated with the asset on trade date. This occurs when the rights are realised, expire or

are surrendered. A financial liability is derecognised when it is legally extinguished.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.18 Retirement benefits

The company provides retirement benefits for some of its employees. Current contributions to the defined contribution fund are charged against income.

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 7.

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 historical reinsurance contracts is largely managed through the following actions:

Having operationalised the subsidiary effective 1 January 2015 the goal has been to achieve geographical spread. The business has been well-diversified across the entire Sub-Saharan Africa and it has written premium from across 17 countries of the continent and is also class diversified. A significant portion of premium is written from South Africa and Kenya. Although hail storm exposures have been considered exceptional, the company has regarded concentration in Kenya as a primary concern. To mitigate the underwriting risk and protect the net account it has purchased a whole account quota share protection of 90% cover from Head Office for all exposures. GIC Re South Africa Ltd is permitted by the FSB to retain 10% of the overall Gross Written Premium in the first year. Based on an internal assessment, GIC has calculated a worst case scenario in any one catastrophe and as a matter of abundant precaution also procured an Excess of Loss protection for USD 4.75 million XS USD 250 000. This will protect the bottom-line of the company in any catastrophic event. This Excess of Loss cover will be effective from 1 April 2015.

A portion of the historical risks underwritten by the company pertaining to the run-off book of business was historically retroceded in order to mitigate its net exposure. The retrocession contracts entered into comprise a combination of proportional and non-proportional treaties. These contracts were recaptured and, as such, the company has no protection for the run-off book of business.

The company follows robust claims assessment procedures to ensure, that the liability it accepts for claims covered by the historical reinsurance contracts is valid and accurate.

2.1.2 Concentrations of reinsurance risk

Concentrations of risk may arise where a particular event or series of events impact heavily upon the company's resources.

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 company is therefore unable to produce claims development information by loss or financial year.

Claims development is monitored in aggregate for all loss years. Note 7 provides details of the overall changes in estimates during 2013 of claims liabilities created in earlier years.

2.2 Life reinsurance contracts

2.2.1 Risk management objectives and policies for mitigating reinsurance risk

The company ceased underwriting life reinsurance business during 2002, and entered into a run-off phase. The company remains on risk for life reinsurance contracts underwritten in the past that have cover periods that extend into the future. The company is exposed to the uncertainty surrounding the timing, severity and frequency of claims under reinsurance contracts.

Sound underwriting principles were applied historically when the reinsurance contracts were underwritten. In order to ensure that each contract was comprehensively evaluated for underwriting and rating purposes, strict underwriting guidelines, agreed to with the then parent company were followed. The underwriting guidelines stipulated the type of risks that could be underwritten, as well as the exposure per risk that was acceptable.

The significant types of reinsurance contracts underwritten in the past, where the company remains on risk are summarised below.

Term - Policy is limited to a defined term. The sum assured is payable at the end of the term or at death should this occur during the term.

Risk premium - Sum assured is payable at death. Premiums received are based on current age, sum at risk and may be reviewed in some cases. Cover may be extended to include disability and dread disease.

Disability - A benefit which is paid out if the assured is totally and permanently disabled from carrying out his/her occupation as defined in the policy conditions.

Permanent health insurance - Compensates the assured for loss of income in case of temporary disability or total and permanent disability during the policy term.

The risk that arises from the reinsurance contracts underwritten in the past is largely managed through the following actions:

The company has no further exposure to treaties that have been commuted.

As from 1 January 2010 the life retrocession agreements with Revios Ruckversicherung AG (Scor Germany), which ended on 31 December 2009, was replaced with a single agreement with Scor Africa Limited (Scor Africa), whereby the company's net retention on any one risk is reduced to a maximum of R750,000, as compared to the previous R2,500,000. The agreement is for a quota share of 25% on all risks, previously 50%, with sums assured capped at R750,000.

Scor Africa carries the remaining 25% on quota share risk to R1,000,000, as well as the excess of loss treaty which provides for the remaining cover over R1,000,000. An over-rider commission of 10% on all retrocession premiums ceded to Scor Africa is payable to the company as an expense recovery together with a profit commission of 50% on Scor Africa's annual profits.

The company follows robust claims assessment procedures to ensure that it pays valid and accurate claims. The company uses medical officers to assess claims, where appropriate.

2.2.2 Concentrations of reinsurance risk

Concentrations of risk may arise where a particular event or series of events impact heavily on the company's resources. The company is not aware of any undue concentrations of risk and its portfolio is generally representative of the risk profiles of the major life offices in South Africa.

2.2.3 Claims development

In terms of IFRS 4: Insurance Contracts, claims development information need only be

presented where uncertainty exists about the amount and timing of claims payments not resolved within one year following the date of the loss. The company has been in run-off for approximately 12 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 7 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 diversified across industries as detailed in note 11, and the largest investment in any one company comprises 0.09% (2013: 0.39%) of the total assets.

At 31 March 2015, the company's ordinary listed equities were recorded at their fair value of R1.76 million (2013: R0.62 million). A hypothetical 25% decline in each share's price would have decreased profit before taxation by R0.4 million (2013: R0.2 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 11. It is

estimated that a 2% increase in interest rates for these investments would have increased the company's 2015 profit before taxation by less than R50,000 (2013: R60,000).

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 countries. In more than 90% of the contracts, the transacting currency is US dollar. Initially the company's focus is to build foreign currency reserves and match dollar liabilities with dollar assets.

3.2 Liquidity risk

The company ensures that the solvency of the company meets the regulatory requirements at all times by maintaining a high level of liquidity.

The company follows the regulatory provisions, in conjunction with prudential norms laid out by the Board, with regard to the investment of its funds. The general investment strategy is to use cash as the default asset class. In the initial years of operations equity exposure will be maintained at lower levels.

The company is accumulating foreign currency reserves and not intending to convert foreign currency funds into Rand during the next 2 years. All these funds are invested in short-term deposits in the form of fixed or call deposits.

For Rand funds, the fund managers are instructed to keep funds invested in such a way as to offer maximum flexibility and high liquidity.

Over and above these liquidity measures, a letter of comfort given by the parent company provides support to the company in order to maintain adequate capital, to meet solvency and policy holder liability requirements and financial obligations.

3.3 Credit risk

The company has several exposures to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

Key areas where the company is exposed to credit risk are:

amounts due from reinsurance policyholders;
amounts due from reinsurance contract intermediaries;
investments and cash equivalents; and
retroceded technical liabilities.

Exposure to individual policyholders and groups of policyholders are monitored as part of the credit control process. Reputable financial institutions are used for investing and cash handling purposes.

Under the terms of the retrocession agreements, retrocessionaires agree to reimburse the ceded amount in the event that a gross claim is paid. However, the company remains liable to its cedants regardless of whether the retrocessionaire meets the obligations it has assumed. Consequently, the company is exposed to credit risk.

GIC Re South Africa Ltd reinsures with its parent, General Insurance Corporation of India (GIC Re) which has been continuously rated A- (Excellent) by AM Best for at least the last 5 years and AAA (In) for Claim Paying ability by the Indian rating agency, Credit Analysis & Research Ltd (CARE). The parent company is wholly owned by the Government of India with sovereign security. As per AM Best, GIC Re ranked 15th among the Top 50 Global reinsurance groups in terms of Gross Written Premium. As at 31 March 2015, it has a net worth of approximately USD 2 billion and total assets of USD 12.5 billion.

GIC Re South Africa Ltd arranged a 90% whole account quota share treaty whereby 90% of the claims incurred are recovered from GIC Re India. In addition to this GIC Re South Africa Ltd withholds 40% of the premium as an unearned premium reserve and retain 100% of the outstanding claims reserve as an outstanding claims reserve deposit.

None of the company's financial assets exposed to credit risk are past due or impaired.

Analysis of the credit quality of the company's assets

	AAA	AA	A	BBB & LOWER	NOT RATED	TOTAL
2015						
Technical assets under insurance						
contracts	-	-	110,324,409	-	14,329,153	124,653,562
Investments						
Government securities	-	-	-	2,077,031	-	2,077,031
Accounts receivable	5,659,463	19,134,719	26,080,616	23,115,903	40,124,737	114,115,438
Cash and cash equivalents	-	-	4,118,282	61,829,209	-	65,947,491
TOTAL	5,659,463	19,134,719	140,523,307	87,022,143	54,453,890	306,793,522
2013						
Technical assets under insurance						
contracts	-	-	8,451,256	-	-	8,451,256
Investments						
Corporate securities	-	-	1,240,691	-	1,746,201	2,986,892
Preference shares	-	-	-	-	333,600	333,600
Accounts receivable	128,674	-	-	-	1,374,052	1,502,726
Cash and cash equivalents	-	-	-	10,096,509	4,992,961	15,089,470
TOTAL	128,674	-	9,691,947	10,096,509	8,446,814	28,363,944

The company's maximum exposure to credit risk is analysed in the table above.

The assets as above are based on external credit ratings obtained from various reputable external rating agencies like Fitch and Standard and Poor's. The 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.

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.

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4
2015				
Financial assets designated at fair value				
through profit or loss	73,724,898	-	-	73,724,898
TOTAL	73,724,898	-	-	73,724,898
2013				
Financial assets designated at fair value				
through profit or loss	7,655,323	-	-	7,655,323
Other non financial assets at fair value	-	-	44,148,080	44,148,080
TOTAL	7,655,323	-	44,148,080	51,803,403

Management analysis of level 3 instruments

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

	2015	2013
Opening balance	44 148 080	52 974 789
Subsidiary fair value adjustment	(2 126 447)	(8 826 709)
Distribution of subsidiary at fair value	(42 021 633)	-
Closing balance	-	44 148 080

No sensitivity analysis has been performed as discounted cash flows and price-earnings models are not currently reliable measures of fair value for these investments.

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.

The long-term insurance returns submitted by the company to the regulator for all the five quarters did maintain the surplus asset ratio as required, except for the first quarter, the short-term returns also maintained a surplus asset ratio for the remaining

four quarters. This is as a direct result of the additional capital of R100m received from the company's shareholder in April 2014.

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 FSB. 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 over 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.

Being the first year of reactivated operations, explicit assumptions were used in determining the claim provisions. However, reported claims for the period have been taken into account.

4.2 Life reinsurance contracts

4.2.1 Outstanding claims

Notified claims

Claims notified by cedants are assessed with

due regard to the specific circumstances, information available from the cedant and/or loss adjuster and past experience with similar claims. The company employs staff experienced in claims handling and rigorously applies standardised policies and procedures around claims assessment.

The ultimate cost of the reported claims may vary as a result of future developments or better information becoming available about current circumstances. Estimates are therefore reviewed regularly and followed up with the cedant to ensure that it is still current.

4.2.2 Policyholder liabilities

The basis adopted in calculating the policyholder liabilities is set out in the notes to the statement of actuarial values of life assets and liabilities that precede the financial statements. The statement also details the effect of the changes in assumptions from 2013.

4.2.3 Sensitivities in assumptions

The table below demonstrates the (increase)/decrease in profit/(loss) before tax for a hypothetical worse than expected experience in material assumptions for policyholder liabilities, net of reinsurance.

	2015	2013
10% worse than expected claims experience	(1,260,000)	(2,827,500)
10% higher expenses	(429,750)	(1,788,000)
1% lower investment margins	(429,750)	(1,536,750)
2.5% decrease in lapses	683,250	770,250

Each scenario was considered in isolation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015

5. Equipment

Particulars	31st March, 2015	31st December, 2013
At cost		
Equipment	1 849 795	1 288 467
Furniture	881 926	553 789
Motor vehicles	894 325 2	480 020
	3 626 046	4 322 276
Accumulated depreciation		
Equipment	1 346 429	1 250 703
Furniture	587 035	545 473
Motor vehicles	107 578	1 786 551
	2 041 042	3 582 727
Net book value		
Equipment	503 366	37 764
Furniture	294 891	8 316
Motor vehicles	786 747	693 469
	1 585 004	739 549
Equipment		
Net book value at beginning of year	37 764	80 690
Additions	561 329	6 658
Depreciation	(95 727)	(49 584)
Net book value at end of year	503 366	37 764
Furniture		
Net book value at beginning of year	8 316	19 352
Additions	328 137	-
Depreciation	(41 562)	(11 036)
Net book value at end of year	294 891	8 316
Motor vehicles		
Net book value at beginning of year	693 469	2 016 695
Additions	916 255	-
Disposals	(592 159)	(798 523)
Depreciation	(230 818)	(524 703)
Net book value at end of year	786 747	693 469
Total		
Net book value at beginning of year	739 549	2 116 737
Additions	1 805 721	6 658
Disposals	(592 159)	(798 523)
Depreciation	(368 107)	(585 323)
Net book value at end of year	1 585 004	739 549

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

6. Investment in subsidiaries

Particulars	31st March, 2015	31st December, 2013
Saxum Insurance Limited (100% holding)		
Shares at cost	42 817 290	42 817 290
Revaluation	(26 346 662)	(25 664 579)
Dividend in specie	(16 470 628)	-
Carrying value	-	17 152 711
The subsidiary was incorporated during 2004 and is a direct insurer.		
Bibleman Holdings and Investments (Pty) Ltd (100% holding)		
Shares at cost	11 843 050	11 843 050
Revaluation	13 707 955	15 152 319
Dividend in specie	(25 551 005)	
Carrying value	-	26 995 369
The subsidiary was acquired during October 2006.		
Total investment in subsidiaries	-	44 148 080

The subsidiaries were distributed as a dividend in specie on 24 April 2014 to the shareholder, Eton Holdings and Investments (Pty) Limited.

7. Provision for outstanding claims

Particulars	31st March, 2015		31st December, 2013	
	Non-Life	Life	Non-Life	Life
Balance at beginning of the period	12,751,665	1,877,672	15,546,377	1,342,223
Gross	12,751,665	4,069,897	15,546,377	1,789,631
Retroceded	-	(2,192,225)	-	(447,408)
Amounts transferred (to)/from profit or loss	2,572,825	(592,077)	(2,794,712)	535,449
Gross	28,351,486	(2,355,770)	(2,794,712)	2,280,266
Retroceded	(25,778,661)	1,763,693	-	(1,744,817)
Balance at end of the period	15,324,490	1,285,595	12,751,665	1,877,672
Gross	41,103,151	1,714,127	12,751,665	4,069,897
Retroceded	(25,778,661)	(428,532)	-	(2,192,225)
Property	3,091,101		1,356,056	
Miscellaneous	11,041,972		10,466,234	
Transport	1,191,417		929,375	
	15,324,490		12,751,665	
Estimated maturity profile:				
Gross	41,103,151	1,714,127	12,751,665	4,069,897
Within one year	28,893,710	1,714,127	3,187,916	4,069,897
Thereafter	12,209,441	-	9,563,749	-
Retroceded	(25,778,661)	(428,532)	-	(2,192,225)
Within one year	(20,622,929)	(428,532)	-	(2,192,225)
Thereafter	(5,155,732)	-	-	-
Net	15,324,490	1,285,595	12,751,665	1,877,672
Within one year	8,270,781	1,285,595	3,187,916	1,877,672
Thereafter	7,053,709	-	9,563,749	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015**

8. Policyholder liabilities for life insurance contracts

Particulars	31st March, 2015	31st December, 2013
Balance at beginning of year	19 079 317	25 158 797
Gross	25 338 348	31 943 600
Retroceded	(6 259 031)	(6 784 803)
Amounts transferred (to)/from profit and loss	(3 987 851)	(6 079 480)
Gross	(4 981 806)	(6 605 252)
Retroceded	993 955	525 772
Balance at end of year	15 091 466	19 079 317
Gross	20 356 542	25 338 348
Retroceded	(5 265 076)	(6 259 031)
Estimated maturity profile:		
Gross	20 356 542	25 338 348
Within one year	12 005 391	13 954 597
Thereafter	8 351 151	11 383 751
Retroceded	(5 265 076)	(6 259 031)
Within one year	(3 168 889)	(3 771 289)
Thereafter	(2 096 187)	(2 487 742)
Net	15 091 466	19 079 317
Within one year	8 836 502	10 183 308
Thereafter	6 254 964	8 896 009

9. Unearned premium reserve

Particulars	31st March, 2015	31st December, 2013
Balance at beginning of year	-	-
Gross	-	-
Reinsured	-	-
Amounts transferred through profit and loss	8 761 348	-
Gross	87 613 488	-
Reinsured	(78 852 140)	-
Balance at end of year	8 761 348	-
Gross	87 613 488	-
Reinsured	(78 852 140)	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

10. Deferred acquisition costs

Particulars	31st March, 2015	31st December, 2013
Balance at beginning of year	-	-
Gross	-	-
Reinsured	-	-
Amounts transferred through profit and loss	(2 510 186)	-
Gross	14 329 153	-
Reinsured	(16 839 339)	-
Balance at end of year	(2 510 186)	-
Gross	14 329 153	-
Reinsured	(16 839 339)	(78 852 140)

Reinsurance contracts incepted during the current financial period upon reactivation of the non-life reinsurance license. Both the gross and retroceded unearned premium provisions are expected to mature within one year.

Deferred acquisition costs have been recognised on the same bases as the unearned premium reserve.

11. Investments

Particulars	31st March, 2015		31st December, 2013	
	Non-Life	Life	Non-Life	Life
Negotiable certificates of deposits	8 169 528	8 169 528	-	-
Ordinary shares - listed	1 837 534	1 760 270	517 702	623 301
Collective investment schemes - listed	57 228 000	57 597 132	2 083 523	3 711 530
Preference shares - listed	-	-	240 000	333 600
Corporate bonds - listed	-	-	2 788 797	2 986 892
Government bonds - listed	2 104 126	2 077 031	-	-
Unit Trust	2 257 503	4 120 937	-	-
Total investments at fair value through profit or loss	71 596 691	73 724 898	5 630 022	7 655 323

Listed ordinary shares portfolio analysis

Particulars	31st March, 2015	31st December, 2013
Non-mining resources	30	50
Financial	16	32
Industrial	14	18
Mining	40	-
TOTAL	100	100

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

Maturity profile of fixed interest securities

Particulars	Less than One Year	One to Five Years	Total
2015			
Negotiable certificates of deposits	4 000 000	4 169 528	8 169 528
Government bonds	2 077 031	-	2 077 031
2013			
Corporate bonds	2 469 851	517 041	2 986 892

The weighted average interest rate of these securities is 13.8% (2013: 8.24%).

Details of shareholdings held in companies other than subsidiaries are recorded in a register. This register is available for inspection at the company's business premises.

Presented below are the interest rate exposures of the company's interest bearing investments

Particulars	31st March, 2015	31st December, 2013
Negotiable certificates of deposits	11.06%	N/A
Corporate bonds	-	8.24%
Government Bonds	2.74%	-
	13.80%	8.24%

12. Deferred Taxation

Particulars	Non Life	Life	Total
31 March 2015			
Asset at beginning of year	5 425 210	545 985	5 971 195
Movement	-	-	-
Asset at end of year	5 425 210	545 985	5 971 195
The year-end deferred tax balance comprises:			
Unrealised loss on revaluation of investments	-	347 342	347 342
Provisions	12 254	-	12 254
S24 j interest adjustment	(7 538)	(14 808)	(22 346)
Calculated loss	5 420 494	213 451	5 633 945
	5 425 210	545 985	5 971 195
31 December 2013			
Asset at beginning of year	5 425 210	545 985	5 971 195
Movement	-	-	-
Asset at end of year	5 425 210	545 985	5 971 195
The year-end deferred tax balance comprises:			
Unrealised gain on revaluation of investments	-	(547 807)	(547 807)
Provisions	14 200	-	14 200
S24 j interest adjustment	-	(19 149)	(19 149)
Calculated loss	5 411 010	1 112 941	6 523 951
	5 425 210	545 985	5 971 195

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

13. Accrual for leave pay

Particulars	31st March, 2015	31st December, 2013
Balance at beginning of year	50 713	205 314
Prior year accrual utilised during the year	(50 713)	(205 314)
Current year accrual created during the year	43 765	50 713
Balance at end of year	43 765	50 713

14. Share Capital

Particulars	31st March, 2015	31st December, 2013
Authorised		
14 000 000 ordinary shares of R2 each	-	28 000 000
300 000 000 ordinary shares of no par value	-	-
Issued		
5 750 000 ordinary shares of no par value	-	11 500 000
55 750 000 ordinary shares of no par value	111 500 000	-
	111 500 000	11 500 000

During the period the directors resolved to convert the existing ordinary shares with par value of R2 each to no par value shares. The authorised share capital was then increased to 300 000 000 shares of no par value. A capital contribution was made by the holding company, General Insurance Corporation of India, of R100 000 000 on 24 April 2014. On 3 March 2015, 50 000 000 ordinary shares of no par value were issued in respect of this capital contribution.

15 The unissued shares are under the control of the directors.

15. Revaluation reserve

Particulars	31st March, 2015	31st December, 2013
Investments in subsidiaries	-	(10 512 259)
Investments	1 392 622	1 408 646
	1 392 622	(9 103 613)

The revaluation reserve represents the revaluation of investments which is net of deferred tax.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015**

16. Net investment income

Particulars	Non Life	Life	Total
31 March 2015			
Dividends received - listed	-	74,518	74,518
Interest received	5,038,534	1,449,093	6,487,627
Realised gain on disposal of investments	26,746	299,315	326,061
Net movement in unrealised gains and losses on revaluation and disposal of investments	(162,314)	140,057	(22,257)
Unrealised loss on revaluation of investment in subsidiaries	(2,126,447)	-	(2,126,447)
	2,776,519	1,962,983	4,739,502
31 December 2013			
Dividends received - listed	-	332,920	332,920
Interest received	159,662	930,022	1,089,684
Realised gain on disposal of investments	-	(224,531)	(224,531)
Net movement in unrealised gains and losses on revaluation and disposal of investments	-	1,074,028	1,074,028
Unrealised loss on revaluation of investment in subsidiaries	(8,826,709)	-	(8,826,709)
	(8,667,047)	2,112,439	(6,554,608)

17. Claims incurred

Particulars	Non Life	Life	Total
31 March 2015			
Claims paid	(491,608)	(10,243,555)	(10,735,163)
Gross	2,638,941	(15,728,588)	(13,089,647)
Retroceded	(3,130,549)	5,485,033	2,354,484
Change in provision for outstanding claims	(2,572,825)	592,077	(1,980,748)
Gross	(28,351,486)	2,355,770	(25,995,716)
Retroceded	25,778,661	(1,763,693)	24,014,968
Claims incurred	(3,064,433)	(9,651,478)	(12,715,911)
31 December 2013			
Claims paid	(387,316)	(7,709,924)	(8,097,240)
Gross	(387,316)	(10,279,899)	(10,667,215)
Retroceded	-	2,569,975	2,569,975
Change in provision for outstanding claims	2,794,712	(535,449)	2,259,263
Gross	2,794,712	(2,280,266)	514,446
Retroceded	-	1,744,817	1,744,817
Claims incurred	2,407,396	(8,245,373)	(5,837,977)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

18. Commission

Particulars	31st March, 2015	31st December, 2013
Commission expenses		
Gross commission and brokerage paid	25 117 543	319 934
Gross deferred acquisition cost	(14 329 153)	-
	10 788 390	319 934
Commission earned		
Retrocession commission and brokerage received	27 908 913	91 089
Retroceded overriding commission received	779 259	577 947
Retroceded deferred commission revenue	(16 839 339)	-
	11 848 833	669 036

19. Management expenses

Particulars	31st March, 2015	31st December, 2013
Included in management expenses are expenses relating to life insurance contracts:		
Gross expenses incurred	5 306 069	5 384 874

20. Profit before taxation

Particulars	31st March, 2015	31st December, 2013
Profit before taxation is stated after charging:		
Employee costs		
— salaries and bonuses	2 293 699	4 137 666
— employer contributions to defined contribution retirement fund	249 451	359 149
— other	60 352	13 462
	2 603 502	4 510 277
External auditor's remuneration		
— audit services	425 200	443 700
— non-audit services	339 884	-
	765 084	443 700
Consulting fees paid	1 800 052	4 599 305
Depreciation of equipment	368 106	585 323
Operating lease expense	866 232	416 958

21. Taxation

Particulars	Non Life	Life	Total
31 March 2015			
South African normal tax			
Current taxation			
— current year	-	-	-
Deferred taxation			
— current year	-	-	-
	-	-	-
Tax rate reconciliation:	%	%	
Standard tax rate	28	28	
Dividends received	(1)	-	
Deferred tax not raised on unrealised losses for subsidiaries	27	-	
Return transfers previously not recognised & other four funds tax losses	-	(21)	
Calculated tax loss for which no deferred tax asset is raised	(54)	(10)	
Other	-	3	
Effective tax rate	0	0	
31 December 2013			
South African normal tax			
Current taxation			
— current year	-	-	-
Deferred taxation			
— current year	-	-	-
	-	-	-
Tax rate reconciliation:	%	%	
Standard tax rate	28	28	
Dividends received	-	3	
Deferred tax not raised on unrealised profits for subsidiaries	(54)	-	
Return transfers previously not recognised and other four funds tax losses	-	(72)	
Calculated tax loss for which no deferred tax asset is raised	36	(2)	
Other	-	(1)	
Effective tax rate	10	(44)	

The individual policyholder fund of the life segment has a calculated tax loss of R49,239,205. At year end a deferred tax asset was not raised for this loss as it is not probable that the company will generate sufficient taxable income in the individual policyholder fund 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. Assessed losses of R3,6 million (2013: R3,5 million) have not been recognised as it is uncertain whether further losses will be offset by taxable income in future.

22. Related party transactions

22.1 Identity of related parties

The company has a related party relationship with its previous holding company, subsidiaries, directors and executive officers, as well as entities that are under common control of that shareholder.

The holding company is General Insurance Corporation of India (previously Eton Holdings and Investments Proprietary Limited), which acquired 100% of the company's shares on 24 April 2014.

22.2 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		2015	2013
Salaries and bonuses		1 872 350	1 678 902
Directors emoluments are set out below: -			
Salaries and bonuses			
Y R Sunkara*	Managing director	1 000 000	-
T A E Ohlenschlager	Non-executive director	-	189 367
L W Clark	Executive director	-	1 846 916
C Matthews	Executive director	-	2 208 000
		1 000 000	4 244 283
Fees			
S Bhikha	Non-executive director	135 000	-
CI Moosa	Non-executive director	100 000	-
J Bagg	Non-executive director	145 000	-
		380 000	-
Key personnel -			
Salaries and bonuses			
I Blaikie	Public Officer, Company Secretary, General Manager - Life	1 378 850	-
S Karmarkar**	Chief Operating Officer	188 000	-
SK Jangir**	Chief Finance Officer	117 500	-
Z Ahmad**	Chief Underwriting Officer	94 000	-
	Chief Technology Officer,		-
SKR Chintapalli**	Manager — HR, Manager Admin	94 000	
Others		-	1 678 902
		1 872 350	1 678 902

* From August 2014 to March 2015

** From November 2014 to March 2015

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

22.3 Other related party transactions

The following transactions were entered into with the previous holding company, its subsidiaries and other related parties on commercial terms and conditions prior to 24 April 2014:

Particulars	2015	2013
Statement of comprehensive income effects :		
- consulting fees paid 2015 2013		
White Chocolate Mountain Trust	896 672	2 690 016
- interest on loans received		
Directors	16 153	57 095
- motor vehicle rental received		
White Chocolate Mountain Trust	123 121	510 805
- administration fees received		
Eton Holdings and Investments Proprietary Limited	-	148 200
Saxum Insurance Limited	1 000 000	1 388 400
Eton Road Investments Company Proprietary Limited	-	593 040
- computer costs received		
Saxum Insurance Limited	-	112 300
Eton Road Investments Company Proprietary Limited	-	179 600
- motor vehicle distributed	592 159	-
- dividend in specie	42 021 633	-
Statement of financial position effects :		
- other accounts receivable		
Eton Road Investments Company Proprietary Limited	-	(2 153 675)
Loans to the directors of the company	-	746 860
- other accounts payable		
Saxum Insurance Limited	-	37 040
- Investment in subsidiaries		
Bibleman Holdings and Investments (Proprietary) Limited	-	26 995 369
Saxum Insurance Limited	-	17 152 711

The following transactions were entered into with the current holding company, its subsidiaries and other related parties on terms and conditions after 24 April 2014 :

Particulars	2015	2013
Statement of comprehensive income effects :		
Retroceded premiums from holding company	129 976 349	-
Retroceded claims from holding company	(26 363 452)	-
Retroceded commission from holding company	(11 848 833)	-
Statement of financial position effects :		
Retroceded outstanding claims	26 207 193	-
Retroceded unearned premium provision	78 852 140	-
Retroceded deferred acquisition cost	(16 839 339)	-
Retroceded reserve deposit	80 392 245	-
Retroceded receivables	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

23. Commitments and contingencies

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	371 540	454 484
One to five years	-	412 823
	371 540	867 307

The operating lease expires on 31 October 2015 and it is expected to be renewed at the same terms as the current lease.

24. Other company information

Business

The company is a composite reinsurer that was previously in run-off and as of 1 January 2015 began writing non-life reinsurance business.

Dividends

The subsidiaries were declared as a dividend in specie at their carrying value, on the dividend declaration date of 24 April 2014 for R42 021 633 (refer to note 6).

Going concern

The directors believe that the company will be a going concern in the future.

25. New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company

IFRS 9 Financial Instruments

On 24 July, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have a significant impact on the company, which will include changes in the measurement bases of the company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debt recognised in the company.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application. Early adoption is permitted.

Disclosure Initiative (Amendments to IAS 1)

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements. The amendments apply for annual periods beginning on or after 1 January 2016 and early application is permitted.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015**

26. Revenue account split between non-life and life reinsurance contracts

		TOTAL		NON-LIFE		LIFE	
		31ST MAR. 2015	31ST DEC. 2015	31ST MAR. 2015	31ST DEC. 2015	31ST MAR. 2015	31ST DEC. 2015
Gross premiums written		155,877,705	16,281,844	135,759,733	-	20,117,972	16,281,844
Retroceded premiums		(129,976,349)	(5,779,472)	(122,183,759)	-	(7,792,590)	(5,779,472)
Gross UPR movement		(87,613,488)	-	(87,613,488)	-	-	-
Retro UPR movement		78,852,140	-	78,852,140	-	-	-
Net premiums written and earned		17,140,008	10,502,372	4,814,626	-	12,325,382	10,502,372
Claims incurred		(12,715,911)	(5,837,977)	(3,064,433)	2,407,396	(9,651,478)	(8,245,373)
Claims paid	17	(10,735,163)	(8,097,240)	(491,608)	(387,316)	(10,243,555)	(7,709,924)
Gross		(13,089,647)	(10,667,215)	2,638,941	(387,316)	(15,728,588)	(10,279,899)
Retroceded		2,354,484	2,569,975	(3,130,549)	-	5,485,033	2,569,975
Change in provision for outstanding claims	7	(1,980,748)	2,259,263	(2,572,825)	2,794,712	592,077	(535,449)
Gross		(25,995,716)	514,446	(28,351,486)	2,794,712	2,355,770	(2,280,266)
Retroceded		24,014,968	1,744,817	25,778,661	-	(1,763,693)	1,744,817
Net commission		281,186	(228,845)	1,231,149	-	(949,963)	(228,845)
Commissions (paid)/received		2,791,372	(228,845)	3,741,335	-	(949,963)	(228,845)
Gross		(25,117,543)	(319,934)	(23,678,535)	-	(1,439,008)	(319,934)
Retroceded		27,908,915	91,089	27,419,870	-	489,045	91,089
Net change in deferred acquisition cost		(2,510,186)	-	(2,510,186)	-	-	-
Gross		14,329,153	-	14,329,153	-	-	-
Retroceded		(16,839,339)	-	(16,839,339)	-	-	-
Change in provision for policyholder liabilities	8	3,987,851	6,079,480	-	-	3,987,851	6,079,480
Gross		4,981,806	6,605,252	-	-	4,981,806	6,605,252
Retroceded		(993,955)	(525,772)	-	-	(993,955)	(525,772)
Underwriting result		8,693,134	10,515,030	2,981,342	2,407,396	5,711,792	8,107,634
Gross		96,656,605	12,414,393	86,368,653	2,407,396	10,287,952	10,006,997
Retroceded		(76,691,937)	(1,899,363)	(72,115,777)	-	(4,576,160)	(1,899,363)
Management expenses		(10,204,020)	(9,056,216)	(4,897,951)	(3,671,642)	(5,306,069)	(5,384,574)
Net income/(loss) before other income & expenses		(1,510,886)	1,458,814	(1,916,609)	(1,264,246)	405,723	2,723,060
Net investment (loss)/income		4,222,714	(7,503,118)	2,128,473	(9,192,778)	2,094,241	1,689,660
Other income		779,259	577,947	-	-	779,259	577,947
Foreign exchange loss		(194,239)	(2,224,792)	(194,239)	(2,224,792)	-	-
Profit (Loss) before taxation	20	3,296,848	(7,691,149)	17,625	(12,681,816)	3,279,223	4,990,667
Taxation	21	-	-	-	-	-	-
Profit (Loss) before taxation		3,296,848	(7,691,149)	17,625	(12,681,816)	3,279,223	4,990,667

27 Notes to the statement of cash flows

27.1 Cash utilised by operations

Particulars	31ST MARCH 2015	31ST DEC. 2013
Profit/(loss) before taxation	3 296 848	(7 691 149)
Adjustments for:		
— depreciation of equipment	368 107	585 323
— profit on disposal of equipment	-	(1 477)
— realised gain on disposal of investments	(326 061)	224 531
— interest received	(6 487 627)	(1 089 684)
— dividends received	(74 518)	(332 920)
— interest paid	142 343	425 731
— increase in net provision for unearned premium	8 761 348	-
— increase in net deferred acquisition costs	2 510 186	-
— increase/(decrease) in net provision for outstanding claims	1 980 748	(2 259 263)
— decrease in net policyholder liabilities for life insurance contracts	(3 987 851)	(6 079 480)
— decrease in accrual for leave pay	(6 948)	(154 601)
— unrealised loss on revaluation of investment in subsidiaries	2 126 447	8 826 709
— unrealised loss/(gain) on revaluation of investments	22 257	(1 074 028)
Cash generated/(utilised) by operations before working capital changes	8 325 279	(8 620 308)
Increase in amounts receivable from insurance companies	(111 522 371)	(272 848)
(Increase)/decrease in other accounts receivable	(1 090 341)	148 306
Increase in amounts payable to insurance companies	5 740 224	3 343 552
(Decrease)/increase in other accounts payable	(3 091 146)	1 474 169
Increase in deposits withheld from retrocessionaires	80 392 245	-
	(21 246 110)	(3 927 129)

27.2 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	24 193 019	11 462 312
Cash at bank and on hand	9 090 809	3 627 158
	33 283 828	15 089 470

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015**

Categorisation of assets and liabilities

	Note	Total	Financial assets and liabilities			Other non - financial assets & 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
ASSETS								
Equipment	5	1,585,004	-	-	-	1,585,004	-	1,585,004
Investment in subsidiaries	6	-	-	-	-	-	-	-
Technical assets under insurance contracts		124,653,562	-	-	-	124,653,562	117,401,643	7,251,919
Retrocoded outstanding claims	7	26,207,193	-	-	-	26,207,193	21,051,461	5,155,732
Retrocoded unearned premium reserve	9	78,852,140	-	-	-	78,852,140	78,852,140	-
Gross deferred acquisition costs	10	14,329,153	-	-	-	14,329,153	14,329,153	-
Retrocoded policyholder liabilities	8	5,265,076	-	-	-	5,265,076	3,168,889	2,096,187
Investments								
Government securities	11	73,724,898	73,724,898	-	-	-	73,724,898	-
Negotiable certificates of deposits		2,077,031	2,077,031	-	-	-	2,077,031	-
Collective investment schemes - listed		8,169,528	8,169,528	-	-	-	8,169,528	-
Listed ordinary shares		4,120,937	4,120,937	-	-	-	4,120,937	-
Listed collective investment schemes		1,760,270	1,760,270	-	-	-	1,760,270	-
		57,597,132	57,597,132	-	-	-	57,597,132	-
Deferred tax								
Amounts receivable from insurance companies	12	5,971,195	-	-	-	5,971,195	-	5,971,195
Other accounts receivable		112,092,397	-	112,092,397	-	-	112,092,397	-
Cash on call and on deposit		2,023,041	-	2,023,041	-	-	2,023,041	-
Cash at bank and on hand		24,193,019	-	24,193,019	-	-	24,193,019	-
		9,090,809	-	33,283,828	-	-	9,090,809	-
Total assets		353,333,925	73,724,898	171,592,285	-	132,209,761	338,525,807	14,808,118
LIABILITIES								
Technical liabilities under insurance contracts		167,626,647	-	-	-	167,626,647	147,066,055	20,560,592
Gross outstanding claims	7	42,817,278	-	-	-	42,817,278	30,607,837	12,209,441
Gross unearned premium reserve	9	87,613,488	-	-	-	87,613,488	87,613,488	-
Retrocoded deferred acquisition cost	10	16,839,339	-	-	-	16,839,339	16,839,339	-
Gross policyholder liabilities	8	20,356,542	-	-	-	20,356,542	12,005,391	8,351,151
Deposits withheld from retrocessionaires		80,392,245	-	-	80,392,245	-	80,392,245	-
Amounts payable to insurance companies		17,674,446	-	-	17,674,446	-	17,674,446	-
Accrual for leave pay	13	43,765	-	-	-	43,765	43,765	-
Other accounts payable		956,361	-	-	956,361	-	956,361	-
Total liabilities		266,693,464	-	-	99,023,052	167,670,412	246,132,872	20,560,592

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

Categorisation of assets and liabilities

	Note	Total	Financial assets and liabilities			Other non - financial assets & 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
ASSETS								
Equipment	5	739,549	-	-	-	739,549	-	739,549
Investment in subsidiaries	6	44,148,080	-	-	-	44,148,080	-	44,148,080
Technical assets under insurance contracts		8,451,256	-	-	-	8,451,256	5,963,514	2,487,742
Retroceded outstanding claims	7	2,192,225	-	-	-	2,192,225	2,192,225	-
Retroceded policyholder liabilities	8	6,259,031	-	-	-	6,259,031	3,771,289	2,487,742
Investments								
Corporate securities	9	7,655,323	7,655,323	-	-	-	7,138,282	517,041
Listed preference shares		333,600	333,600	-	-	-	2,469,851	517,041
Listed ordinary shares		623,301	623,301	-	-	-	333,600	-
Listed collective investment schemes		3,711,530	3,711,530	-	-	-	623,301	-
							3,711,530	-
Deferred tax								
Amounts receivable from insurance companies	10	5,971,195	-	-	-	5,971,195	-	5,971,195
Other accounts receivable		570,026	-	570,026	-	-	570,026	
Cash on call and on deposit		-	-	932,700	-	-	932,700	-
Cash at bank and on hand		15,089,470	-	15,089,470	-	-	15,089,470	-
Total assets		83,557,599	7,655,323	16,592,196	-	59,310,080	29,693,992	53,863,607
LIABILITIES								
Technical liabilities under insurance contracts		42,159,910	-	-	-	42,159,910	21,212,409	20,947,501
Gross outstanding claims	7	16,821,562	-	-	-	16,821,562	7,257,813	9,563,749
Gross policyholder liabilities	8	25,338,348	-	-	-	25,338,348	13,954,596	11,383,752
Amounts payable to insurance companies		11,934,222	-	-	11,934,222	-	11,934,222	-
Accrual for leave pay	12	50,713	-	-	-	50,713	50,713	-
Other accounts payable		4,047,507	-	-	4,047,507	-	4,047,507	-
Total liabilities		58,192,352	-	-	15,981,729	42,210,623	37,244,851	20,947,501



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