



Courage
of Conviction.
Constancy
of Change.

Board's Report

To the Members

Kotak Mahindra General Insurance Company Limited

The Board of Directors of your Company is pleased to present its Fifth Annual Report together with the audited financial statements for the year ended March 31, 2019.

INDUSTRY HIGHLIGHT

The general insurance industry as a whole registered a growth of 12.96%, in which the private sector (excluding standalone health insurance companies) grew by 24.73%. Your Company grew its direct premium from ₹ 185.4 crore in financial year 2017-18 to ₹ 301.1 crore in financial year 2018-19 registering a growth of 62%.

FINANCIAL SUMMARY/HIGHLIGHTS

The summarized results of operations of your Company for the Financial Year ("FY") 2018-19 are as follows:

| Particulars | (₹ Crore) | |
|----------------------------|--------------------------|--------------------------|
| | Year ended March 2019 | Year ended March 2018 |
| Gross Written Premium | 303.80 | 188.10 |
| Premium Earned | 197.35 | 115.87 |
| Profit / (Loss) Before Tax | (34.89) | (32.55) |
| Profit / (Loss) After Tax | (34.89) | (32.55) |
| Net worth | 107.83 | 97.73 |
| Assets Under Management | 414.8 | 248.9 |

SEPARATE SECTION CONTAINING A REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Your Company does not have any subsidiary or associate and has not entered into any joint venture. Therefore the financial statements have not been consolidated and no separate report on the performance and financial position of subsidiary, associates and joint venture is applicable for the financial year ended on March 31, 2019.

DIVIDEND AND RESERVES

Your Directors do not recommend any dividend for the current year. Your Company does not propose to carry any amount to the reserves of the Company.

PRODUCTS

In continuing with the Company's philosophy of having a diverse range of products, your Company has launched 17 new insurance products – 9 Commercial Products, 1 Health Product and 7 Motor Products. Your Company has also launched 4 Health Products in the Micro Insurance space. To expand its bouquet of products, in the coming year, the product offering would be expanded to include Travel insurance and Commercial Products like Marine Insurance and various liability insurance products.

DISTRIBUTION NETWORK

During its fourth full year of operations, your Company has significantly ramped up its bancassurance and multi-distribution network through various intermediaries. Your Company has been able to engage various banking & non-banking institutions and insurance brokers as its intermediaries during the financial year. Your Company has been able to scale premium across digital and non-digital channels in financial year 2018-19. Your Company has been able to maintain its claim ratio and control its expenses through prudent underwriting principles and cost management. Going forward, your Company continues to focus on automation and increase share of digitally issued policies. Your Company also plans to build its commercial portfolio and scale up the health business in the coming year.

MARKETING

This was a year of multiple digital breakthroughs for your company. Reaching out to over 6 million audiences on social media platforms, your company launched a special initiative titled #DriveLikeALady on the occasion of Women's Day. This campaign was aimed at celebrating women as safer drivers and spreading awareness about safe driving practices. As an extension of the campaign, female car owners were offered special rates on their car insurance premium. A seamless journey was created on its website which enabled female car owners to purchase car insurance at special rates.

OPERATIONS

Your company has rapidly scaled up its operational capabilities from issuing 16,455 policies in April 2018 to 128,983 policies in March 2019, thereby taking the total policies issued in financial year 18-19 to 7,37,435 vis-à-vis 252,125 issued policies in financial year 17-18.

CLAIMS

Your Company considers customer service as the focal point of all operations especially at the time of settlement of claims. We strongly believe and follow proactive approach of fair, fast and friendly settlement of claims. We have extensive network of garages and hospitals to offer cashless services to our customers. By using the technology platform, we are able to speed up the claims processing for the benefit of customers.

CAPITAL

During the financial year 2018-19, your Company issued 4,50,00,000 equity shares of ₹ 10/- each at par on Rights basis. The issued, subscribed and paid up share capital as on March 31, 2019 is ₹ 220,00,00,000/-. The solvency ratio of the Company as at March 31, 2019 is 1.86.

CORPORATE GOVERNANCE

Your Company has consciously endeavored to follow the policy of transparency and accountability and holds the interest of its stakeholders paramount. Your Company has implemented the requirement of Corporate Governance circular issued by IRDAI. (Note: A separate report pertaining to the Corporate Governance compliances is enclosed as Annexure 1).

CHANGE IN REGISTERED OFFICE/ NAME OF THE COMPANY DURING THE FINANCIAL YEAR

There has been no change either in the Name or the Registered Office of your Company.

DIRECTORS

The appointment and remuneration of Directors of the Company is governed by the provisions of Corporate Governance Guidelines issued by the IRDAI and the Companies Act, 2013.

At the ensuing Annual General Meeting, Mr. G Murlidhar (DIN: 0003601196) is liable to retire by rotation. Being eligible, Mr. G Murlidhar has offered himself for reappointment. The Board recommends his appointment.

Your Directors are not in receipt of any commission from the holding Company.

DECLARATION FROM INDEPENDENT DIRECTORS

The Board has received declarations from the Independent Directors as per the requirement of Section 149(7) of the Companies Act, 2013 and the Board is satisfied that the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Companies Act, 2013.

BOARD EVALUATION

The Independent Directors and the Board of Directors of the Company have conducted the evaluation of the Board and its Committees.

BOARD MEETINGS

During the financial year ended March 31, 2019, 6 meetings were held of the Board of Directors of your Company. The details are as follows:

| Date of the Board Meeting | No. of Directors who attended the Meeting | Strength of the Board on the date of the Meeting |
|---------------------------|---|--|
| April 24, 2018 | 6 | 7 |
| May 14, 2018 | 7 | 7 |
| July 24, 2018 | 6 | 7 |
| October 16, 2018 | 7 | 7 |
| January 18, 2019 | 6 | 7 |
| March 29, 2019 | 6 | 7 |

CONSTITUTION OF COMMITTEES

In accordance with the applicable provisions of the Corporate Governance Guidelines, your Company has constituted the Audit Committee, Policyholder Protection Committee, Risk Management Committee, Investment Committee, Banking Committee and the Nomination and Remuneration Committee.

The details of the terms of reference of the Committees is provided in the report pertaining to the Corporate Governance compliance enclosed as Annexure 1.

DEPOSITS

Your Company has not accepted any deposits from the public during the financial year ended 2018-19.

RELATED PARTY TRANSACTIONS

All the Related Party Transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business.

Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Companies Act, 2013.

All related party transactions as required under Accounting Standard 18 are reported in Related Party Disclosures under Note 14 of Schedule 16 of Notes to Financial Statements.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS U/S 186

Your Company has not given any loan, or given guarantees or made any investment as specified in section 186 of the Companies Act, 2013.

RISK ARCHITECTURE

Your Company understands that Risk management and internal control is an integral part of good management practice and endeavors to make them an essential component of the business culture. As part of these efforts it has a Risk Management Policy which defines identification, assessment, mitigation and monitoring of risks. Major risks that are faced by Your Company are underwriting risk, reserve risk, assets risk, and expense risk for which appropriate policies, procedures and standards have been established. Furthermore, complementary controls in the form of independent audits of various functions are conducted and findings of which are placed to the Audit Committee in line with good Corporate Governance. Your Company has a Risk Management Committee for developing and promoting the risk management culture which oversees the Risks Management Framework. The Company has appointed Chief Risk Officer who is responsible for the implementation and monitoring of the framework. The Risk, Internal Audit, Concurrent Audit and Statutory Audits support the identification, measurement and control of risks and helps to identify areas where corrective action is required.

WHISTLE BLOWER POLICY & VIGIL MECHANISM

Your Company has in place a Whistle Blower Policy and vigil mechanism. There are no reportable instances for the financial year 2018-19.

RURAL AND SOCIAL RESPONSIBILITY

Your Company fulfilled its rural and social responsibility as prescribed by the Insurance Regulatory and Development Authority of India (IRDAI).

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility were not applicable to Your Company for the financial year 2018-19.

SUBSIDIARIES

As on March 31, 2019, Your Company did not have any subsidiaries or joint ventures.

CONSERVATION OF ENERGY/ ABSORPTION OF TECHNOLOGY

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the insurance industry. However, Your Company has used information technology in its operations.

FOREIGN EXCHANGE EARNINGS AND OUTGO

| Particulars | Year ended March 2019 | Year ended March 2018 |
|------------------------|--------------------------|--------------------------|
| Foreign Exchange Outgo | ₹ 148,366 | ₹ 129,934 |

STATUS ON IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (IND AS)

Your Company has set up a Steering Committee for implementation of IND AS as per the circular issued by Insurance Regulatory and Development Authority of India (IRDAI) on March 1, 2016. The Committee comprises of the following members:

1. Managing Director & Chief Executive Officer, Head of the Committee
2. Chief Finance Officer
3. Chief Investment Officer
4. Appointed Actuary
5. Chief Operating Officer
6. Chief Technology Officer
7. Company Secretary

IRDAI had constituted an implementation group to examine implications of implementing IND AS, address implementation issues and facilitate formulation of operational guidelines to converge with IND AS. The implementation group submitted its report along with recommendations on December 29, 2016 to IRDAI.

IRDAI vide circular dated June 28, 2017 deferred the implementation of IND AS for a period of two years and the same shall be implemented effective 2020-21. However, submission of Proforma IND AS financial statements needs to be submitted on a quarterly basis. Your Company has submitted its financial statements in IND AS report to IRDAI within the prescribed time.

AUDITORS

M/s K.S. Aiyar & Co. and M/s V.C. Shah & Co. were appointed as joint first statutory auditors of Your Company for a period of five years subject to ratification. It is proposed to ratify reappointment of M/s K.S. Aiyar & Co. and M/s V.C. Shah & Co. as joint auditors of the Company for the financial year 2019-20.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013, your Company has appointed Ms. Rupal D. Jhaveri, a Company Secretary in Practice, as its Secretarial Auditor for the financial year 2018-19. The Secretarial Audit Report for the FY 2018 - 2019 is annexed to this Report.

EXPLANATIONS/ COMMENTS BY THE BOARD

There are no qualifications, reservation or adverse remark or disclaimer made by the auditors in their report which require any explanation or comment by the Board.

In terms of the Proviso to Section 136(1) of the Companies Act, 2013, the Directors' Report is being sent to all shareholders excluding the information on employees' particulars as required pursuant to provisions of Rule 5(2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, which is disclosed in a separate annexure. The said annexure is available for inspection at the Registered Office of the Company during the business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company. The Board affirms that the remuneration paid to the employees of the Company is as per the remuneration policy of the Company and none of the employees listed in the said annexure is related to any Director of the Company. The Remuneration details of the Key Management Persons as defined under Section 2(51) of the Companies Act, 2013 are disclosed in Form MGT-9 – Extract of Annual Return which forms part of this report. Remuneration details of the other Key Management Persons as defined under the IRDAI Guidelines on Corporate Governance for Insurers in India is separately disclosed in the annexure.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm in pursuance of Section 134(5) of the Companies Act, 2013, that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at the end of the financial year and of the profit/ loss of your Company for the financial year ended March 31, 2019;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Company would like to thank the Insurance Regulatory and Development Authority of India, the Ministry of Corporate Affairs, the General Insurance Council and other regulatory authorities for its support. The Directors express sincere thanks for the co-operation extended by the Policyholders, Reinsurers and Intermediaries. The Directors also acknowledge and express appreciation of the teams for their efforts and commitment towards the growth of the Company.

ANNEXURES:

- Corporate Governance Report
- Secretarial audit report
- Extract of Annual Return
- Form AOC-2 (Rule 8(2) of the Companies (Accounts) Rules, 2014)

For and on behalf of the Board of Directors

Mahesh Balasubramanian
Managing Director and Chief Executive Officer

Gaurang Shah
Director

Virat Diwanji
Director

Place: Mumbai
Date: April 24, 2019

Report on Corporate Governance

Annexure 1

In accordance to the provisions of the Corporate Governance Guidelines issued by the Insurance Regulatory & Development Authority of India (IRDAI), the report containing details of the Corporate Governance systems and processes of the Company for the Financial Year 2018 - 19 is as under:

BOARD OF DIRECTORS AND COMMITTEES

Composition, Meeting and Attendance

The Composition of the Board of Directors of the Company as on March 31, 2019 is as follows:

| Name of Directors | DIN | Designation |
|----------------------------|----------|---|
| Mr. Gaurang Shah | 00016660 | Non-executive Director |
| Mr. G Murlidhar | 03601196 | Non-executive Director |
| Mr. Virat Diwanji | 07021146 | Non-executive Director |
| Ms. Anu Aggarwal | 07301689 | Non-executive Director |
| Mr. Dhananjay Date | 01030900 | Independent Director |
| Mr. Arun Agarwal | 07299000 | Independent Director |
| Mr. Mahesh Balasubramanian | 02089182 | Managing Director and Chief Executive Officer |

The details of the Directors like qualification, specialization, and status of directorship as well as brief profile, as at March 31, 2019, is given at 'Annexure A' enclosed with this report.

COMPOSITION OF THE COMMITTEE POSITIONS HELD BY DIRECTORS AS ON MARCH 31, 2019

| Name | Position | Audit Committee | Investment Committee | Risk Management Committee | Banking Committee | Policyholders Protection Committee | Nomination and Remuneration Committee |
|----------------------------|---|-----------------|----------------------|---------------------------|-------------------|------------------------------------|---------------------------------------|
| Mr. Gaurang Shah | Non-executive Director | - | - | - | - | Chairman | Member |
| Mr. G Murlidhar | Non-executive Director | Member | Chairman | - | Member | Member* | - |
| Mr. Virat Diwanji | Non-executive Director | - | Member | Chairman | Chairman | - | - |
| Ms. Anu Aggarwal | Non-executive Director | - | - | - | Member | - | - |
| Mr. Dhananjay Date | Independent Director | Member | - | - | - | - | Chairman |
| Mr. Arun Agarwal | Independent Director | Chairman | - | - | - | - | Member |
| Mr. Mahesh Balasubramanian | Managing Director and Chief Executive Officer | - | Member | Member | Member | Member | - |

*Mr. G. Murlidhar was inducted as a member of the Policyholders' Protection Committee on October 15, 2018

BOARD MEETINGS

During the Financial Year 2018-19 six meetings of the Board were held on April 24, 2018, May 14, 2018, July 24, 2018, October 16, 2018, January 18, 2019 and March 29, 2019.

| Name of Directors | No. of meetings held | No. of meetings attended |
|----------------------------|----------------------|--------------------------|
| Mr. Gaurang Shah | 6 | 6 |
| Mr. G Murlidhar | 6 | 5 |
| Mr. Virat Diwanji | 6 | 4 |
| Ms. Anu Aggarwal | 6 | 6 |
| Mr. Dhananjay Date | 6 | 5 |
| Mr. Arun Agarwal | 6 | 6 |
| Mr. Mahesh Balasubramanian | 6 | 6 |

AVAILABILITY OF INFORMATION TO THE BOARD:

The Board of Directors of your Company has an unfettered and complete access to all the information within the Company and to the employees of your Company. The Meetings are convened by giving appropriate notice to all the Board of Directors. Detailed agenda, memorandum along with all the relevant documents and explanatory statements are circulated to the members of the Board to facilitate meaningful, informed and focused decisions at the meetings.

The Board is apprised with all the information pertaining to the following:

- Minutes of meetings of the various Committees of the Board of Directors like Audit Committee, Investment Committee, Risk Management Committee, Policyholders Protection Committee, Nomination and Remuneration Committee and Banking Committee
- General notices of interest received from Directors of the Company
- Quarterly/ Half Yearly/ Annual Financial Statements of the Company
- Information pertaining to the policies of the Company
- State of affairs of the Company vide detailed updates by the Managing Director and Chief Executive Officer

DIRECTORS' REMUNERATION

(₹'000)

| Name of Director | Sitting Fee | Commission |
|----------------------------|-------------|------------|
| Mr. Gaurang Shah | - | - |
| Mr. Arun Agarwal | 380 | - |
| Mr. Dhananjay Date | 320 | - |
| Mr. G Murlidhar | - | - |
| Mr. Virat Diwanji | - | - |
| Ms. Anu Aggarwal | - | - |
| Mr. Mahesh Balasubramanian | - | - |

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted several committees and delegated various functions and responsibilities to such Committees, as mandated by the Corporate Governance Guidelines issued by IRDAI. The details of the various Committees are as under:

1. AUDIT COMMITTEE

The Audit Committee of the Company comprises of three Non-Executive Directors. The Chairman of the Committee is an Independent Director. The terms of reference of the Audit Committee are as follows:

- Recommend appointment of, remuneration and terms of appointment of auditors of the Company
- Review and monitor the auditor's independence and performance and effectiveness of audit process
- Examination of the financial statements and the auditor's report thereon
- Approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter corporate loans and investments
- Valuation of undertaking or assets of the Company, wherever necessary
- Evaluation of internal financial controls and risk management systems
- Monitoring the end use of funds raised through public offers and related matters
- Oversee financial statements, financial reporting, statement of cash flow and disclosure processes on annual and quarterly basis
- Setting up of procedures and processes to address concerns relating to adequacy of checks and control mechanisms
- Oversee efficient functioning of internal audit and review its reports
- Monitor progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice
- Oversight on procedures and processes established to attend to issues relating to maintenance of books of account, administration procedures, transactions and other matters having bearing on the financial position of the Company, whether raised by the auditors or any other person
- Discuss with the statutory auditors before audit commences, about the nature and scope of audit

During the Financial Year 2018 – 19, five meetings of the Committee were held on April 24, 2018, July 24, 2018, October 16, 2018, January 18, 2019 and March 29, 2019.

The details of the attendance of the Members at the Committee meetings are as follows:

| Name of Members | No. of meetings held | No. of meetings attended |
|--------------------|----------------------|--------------------------|
| Mr. G Murlidhar | 5 | 4 |
| Mr. Dhananjay Date | 5 | 4 |
| Mr. Arun Agarwal | 5 | 5 |

2. INVESTMENT COMMITTEE

The Investment Committee of the Company comprises of two Non-Executive Directors, the Managing Director and Chief Executive Officer, the Chief Investment Officer, the Chief Financial Officer and the Appointed Actuary and Chief Risk Officer. The terms of reference of the Investment Committee are as follows:

- Lay down an overall investment policy and operational framework for investment operations
- Independently review investment decisions duly supported by due diligence process and not be solely influenced by credit rating agencies
- Put in place effective reporting system to ensure compliance with the policy set apart from internal/ concurrent audit mechanism for a sustained and on – going monitoring of investment operations
- To meet at least once in a quarter and look into various aspects of investment operations and monitor them
- Furnish a report to the Board on the performance of investments at least once in a quarter and provide analysis of the Investment portfolio and future outlook to enable Board to look at possible policy changes and strategies.

During the Financial Year 2018 – 19, five meetings of the Committee were held on April 23, 2018, July 23, 2018, October 15, 2018, November 16, 2018 and January 16, 2019.

The details of the attendance of the Members at the Committee meetings are as follows:

| Name of Members | No. of meetings held | No. of meetings attended |
|----------------------------|-----------------------------|---------------------------------|
| Mr. G Murlidhar | 5 | 4 |
| Mr. Virat Diwanji | 5 | 4 |
| Mr. Mahesh Balasubramanian | 5 | 5 |
| Mr. Mehl Shah | 5 | 5 |
| Mr. Yash Kotak | 5 | 5 |
| Mr. Gajendra Manavalan | 5 | 5 |

3. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of one Non-Executive Director, the Managing Director and Chief Executive Officer and the Appointed Actuary and Chief Risk Officer. The terms of reference of the Committee include:

- Lay down Company's risk management strategy
- Assist the Board in effective operation of the risk management system by performing specialized analysis and quality reviews
- Maintain group-wide and aggregated view on the risk profile of the Company in addition to solo and individual risk profile
- Report to the Board on risk exposure and action 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, acquisitions and related matters
- Establish Risk Management Framework and adopt Risk Management Policy
- Set risk tolerance limits
- Review solvency position of the company
- Monitor regular updates on business continuity
- Formulate Fraud Monitoring Policy & monitor implementation
- Review compliance with Guidelines on Insurance Fraud Monitoring Framework

During the Financial Year 2018 – 19, four meetings of the Committee were held on April 23, 2018, July 23, 2018, October 15, 2018 and January 16, 2019.

The details of the attendance of the Members at the Committee meetings are as follows:

| Name of Members | No. of meetings held | No. of meetings attended |
|----------------------------|-----------------------------|---------------------------------|
| Mr. Virat Diwanji | 4 | 4 |
| Mr. Mahesh Balasubramanian | 4 | 4 |
| Mr. Mehl Shah | 4 | 4 |

4. POLICYHOLDERS PROTECTION COMMITTEE

The Policyholders Protection Committee comprises of one Non-Executive Director, the Managing Director and Chief Executive Officer, the Chief Operating Officer, Chief Technology Officer and Chief Technical Officer. Pursuant to the Corporate Governance Guidelines for Insurers, the Committee also includes a representative of customers as an invitee to the meetings. The terms of reference of the Committee include:

- Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries

- Ensuring compliance with the statutory requirements as laid down in regulatory framework
- Review of mechanism at periodic intervals
- Ensuring adequacy of disclosure of material information to the policyholders at the point of sale and at periodic intervals
- Review the status of complaints at periodic intervals
- Provide details of grievances at periodic intervals in such format as may be prescribed
- Provide details of insurance ombudsman to the policyholders
- Adopt standard SOP to treat the customer fairly including time frames for policy and claims servicing
- Recommend Policy on customer education to the Board
- Review of awards given by Insurance Ombudsman/ Consumer Forums unimplemented for 3 months
- Analyze the root cause of customer complaints, identify market conduct issues and advise the management appropriately about rectifying systemic issues, if any
- Measures to reduce customer complaints and review of the same
- Review of Claims Report, including status of Outstanding claims with ageing of outstanding claims
- Reviewing Repudiated claims with analysis of reasons
- Submit status report to the Board
- Induction of an expert/ representative of customers as an Invitee in the Policyholder Protection Committee

During the Financial Year 2018 - 19 four meetings of the Committee were held on April 23, 2018, July 23, 2018, October 15, 2018 and January 16, 2019.

The details of the attendance of the Members at the Committee meetings are as follows:

| Name of Members | No. of meetings held | No. of meetings attended |
|-----------------------------|-----------------------------|---------------------------------|
| Mr. Gaurang Shah | 4 | 1 |
| Mr. Mahesh Balasubramanian | 4 | 4 |
| Mr. N. Eswaranatarajan | 4 | 4 |
| Mr. N. Ravichandran | 4 | 4 |
| Mr. Suresh Sankaranarayanan | 4 | 3 |
| Mr. G. Murlidhar* | 1 | 1 |
| Ms. Manisha Kapoor** | 4 | 4 |

*Mr. G. Murlidhar was inducted as a member of the Policyholders' Protection Committee at its meeting held on October 15, 2018.

**Ms. Manisha Kapoor, Representative of Customers/expert is appointed by Company in accordance with the requirement of IRDAI.

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three Non-Executive Directors. The terms of reference of the Committee include:

- Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal
- Evaluation of every director's performance
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees

- Scrutinize declarations of intending applicants before the appointment / reappointment/election of directors by shareholders at General Meetings
- Make independent and discreet references to verify accuracy of information furnished
- Determine on behalf of the Board and on behalf of shareholders with agreed terms of reference, the company's policy on specific remuneration packages and any compensation payment, for the CEO and executive directors of the Company
- Ensure Remuneration package of the Key Managerial Persons is as per the Policy

During the Financial Year 2018 - 19 one meeting of the Nomination and Remuneration Committee was held on May 14, 2018.

The details of the attendance of the Members at the Committee meeting are as follows:

| Name of Members | No. of meetings held | No. of meetings attended |
|--------------------|----------------------|--------------------------|
| Mr. Gaurang Shah | 1 | 1 |
| Mr. Dhananjay Date | 1 | 1 |
| Mr. Arun Agarwal | 1 | 1 |

6. BANKING COMMITTEE

The Banking Committee comprises of three Non-Executive Directors and the Managing Director and Chief Executive Officer. The terms of reference of the Committee include:

- To consider the proposals and pass requisite resolutions for opening of bank accounts for the Company with one or more banks
- To authorize the Directors, officers and such other person or persons to operate such Accounts and to decide the manner and monetary limits for operations of such Accounts
- To revise the manner and mode of operations of the bank accounts, to decide to close any bank accounts of the Company
- To avail of any facilities including net banking facilities from one or more banks and authorize Directors, Officers of the Company and such other person or persons to operate these facilities, revise the manner and mode of operation of these facilities as it may deem fit
- Authority to instruct the banks accordingly and to do such other acts, matters and things as the Committee may think necessary

During the FY 2018 - 19 one meeting of the Committee was held on July 24, 2018

The details of the attendance of the Members at the Committee meeting are as follows:

| Name of Members | No. of meetings held | No. of meetings attended |
|----------------------------|----------------------|--------------------------|
| Mr. Virat Diwanji | 1 | 1 |
| Mr. G Murlidhar | 1 | 1 |
| Mr. Mahesh Balasubramanian | 1 | 1 |
| Ms. Anu Aggarwal | 1 | 1 |

CERTIFICATION FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

I, Krishnan Gopalakrishnan hereby certify that Kotak Mahindra General Insurance Company Limited has complied with the Corporate Governance Guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

Krishnan Gopalakrishnan
Company Secretary

ANNEXURE A TO THE CORPORATE GOVERNANCE REPORT

DETAILS OF THE DIRECTORS OF THE COMPANY:

| Name | Mr. Gaurang Shah – Non Executive Director (DIN: 00016660) |
|------------------------|---|
| Qualification | M.Com, ACA, ACWA, ACS |
| Brief Details | <p>Mr. Gaurang Shah heads the Life Insurance, Asset Management and the International business of the Kotak Mahindra Group. He took over this assignment on May 1, 2010.</p> <p>Mr. Shah has over 32 years of rich and varied experience in the Financial Services sector, several of which are with the Kotak Mahindra Group. He has played a stellar role in building the Group's Consumer Banking business and Life insurance business.</p> |
| Status of Directorship | Kotak Mahindra Asset Management Company Limited Kotak Mahindra (UK) Limited Kotak Mahindra Inc Kotak Mahindra Asset Management (Singapore) Pte. Ltd. Kotak Mahindra Life Insurance Company Limited Kotak Mahindra General Insurance Company Limited |

| Name | Mr. Arun Agarwal - Independent Director (DIN: 07299000) |
|------------------------|--|
| Qualification | M. SC. |
| Brief Details | <p>Mr. Arun Agarwal has a long career span in the General Insurance Industry (Government and the Private sector). He started his career as a direct recruit officer of the GIC 1977 and worked with Oriental Insurance for the next 20 plus years. He has been involved with research and training on behalf of National Insurance Academy and has published several papers.</p> |
| Status of Directorship | Kotak Mahindra General Insurance Company Limited |

| Name | Mr. Dhananjay Date - Independent Director (DIN: 01030900) |
|------------------------|--|
| Qualification | B.A. (Hons), Chartered Insurer |
| Brief Details | <p>Mr. Dhananjay Date is a Chartered Insurer from the CII, UK and an alumnus of the Bishop Cotton School, Simla and St. Stephens College, Delhi. After a stint as Branch Manager in Pune for the New India Assurance Co, he was seconded to their London Office. From 1996, he worked for Swiss Re initially in Zurich and then in London. In 2003 he returned as the Head of Swiss Re's Reinsurance operation in India. After twelve years as the Head, he took early retirement in Dec 2014.</p> |
| Status of Directorship | Softcell Technologies Ltd. Bajaj Energy Limited Kotak Mahindra General Insurance Company Limited Swiss Re Healthcare Services Private Limited |

| | |
|------------------------|--|
| Name | Mr. G Murlidhar – Non Executive Director (DIN: 03601196) |
| Qualification | ACA, ICWA, ACS |
| Brief Details | <p>Mr. G Murlidhar is a founder member of Kotak Mahindra Life Insurance Company Limited, and has served the Company in various capacities of increasing responsibility over the years.</p> <p>Mr. Murlidhar has over 31 years of rich and varied experience in functional areas of Finance, Commercial Projects, Marketing, HR, IT, Consumer distribution besides handling public issues and open offers across BFSI, Services and Manufacturing.</p> |
| Status of Directorship | <p>Kotak Mahindra Life Insurance Company Limited</p> <p>Kotak Mahindra General Insurance Company Limited</p> |
| Name | Mr. Virat Diwanji – Non Executive Director (DIN: 07021146) |
| Qualification | B.E. (Mechanical), Master of Business Administration |
| Brief Details | <p>Mr. Virat Diwanji is part of the Consumer Banking function of Kotak Mahindra Bank Ltd. Mr. Diwanji has over 23 years of rich and varied experience in the financial services industry. An experienced business leader in Retail finance space, Virat is currently spearheading the Branch Banking and Customer Acquisition at Kotak.</p> |
| Status of Directorship | Kotak Mahindra General Insurance Company Limited |
| Name | Ms. Anu Aggarwal – Non Executive Director (DIN: 07301689) |
| Qualification | Bachelor of Commerce, Master of Business Administration |
| Brief Details | <p>Ms. Anu Aggarwal co-heads the Conglomerate and Corporate business group of Kotak Mahindra Bank Ltd. Ms. Aggarwal has over 21 years of rich and varied experience in the financial services industry. Ms. Aggarwal is also amongst the Top women leaders in the banking industry</p> |
| Status of Directorship | Kotak Mahindra General Insurance Company Limited |
| Name | Mr. Mahesh Balasubramanian – Managing Director and Chief Executive Officer (DIN: 02089182) |
| Qualification | Bachelor's in Mechanical Engineering and Masters in Management Studies |
| Brief Details | <p>Mr. Mahesh Balasubramanian has over two decades of professional entrepreneurial experience in financial services. Starting his career at Godrej & Boyce in 1992, Mahesh moved to Cholamandalam Investment and Finance company in 1994, as the first regional head for the retail business in the West.</p> <p>In 2005 Mahesh joined Kotak Mahindra Bank as part of the core team of the Retail Liabilities and Branch Banking Business. He was instrumental in setting up and leading the Retail Sales, Retail Institutional, Government Business and Cross Sell verticals. In his last assignment he was also the Co-Head of Branch Banking Division.</p> <p>After successfully setting up and building significant scale across business in Assets, Liabilities and Branch Banking, he was given the opportunity in October 2014, to be the founder CEO of Kotak Mahindra General Insurance Company Limited. In January 2017, he was appointed as the Managing Director and Chief Executive Officer of the Company.</p> |
| Status of Directorship | Kotak Mahindra General Insurance Company Limited |

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

KOTAK MAHINDRA GENERAL INSURANCE COMPANY LIMITED

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ('Audit period') 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings (Not Applicable);
- (v) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (vi) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (vii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (viii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were not applicable to the Company during the Audit Period as the Company is not a listed entity:
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
- (ix) The Company, being a General Insurance Company, has complied with the Insurance Act, 1938 and regulations, guidelines and directions issued by the Insurance Regulatory & Development Authority of India (IRDAI). The Company has its own robust Compliance system and the Company is also subject to monitoring by and reporting of compliance to IRDAI.
- (x) Other laws to the extent applicable to the Company as per the representations made by the Company.

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

- (i) Secretarial Standards issued pursuant to section 118(10) of the Act, by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the above Secretarial Standards issued by The Institute of Company Secretaries of India.

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

I 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 and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I 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 further report that during the audit period

1. An Ordinary Resolution was passed at the Extra Ordinary General Meeting of the Company held on 24th April, 2018 by the members in pursuance of section 61 of the Companies Act, 2013 for increase in Authorized Share Capital of the Company from the present ₹ 1,90,00,00,000/- (Rupees One Hundred Ninety Crores) to ₹ 235,00,00,000/- (Rupees Two Hundred and Thirty Five Crores).
2. An Ordinary Resolution was passed at the Extra Ordinary General Meeting of the Company held on 24th April, 2018 by the members in pursuance of section 13 of the Companies Act, 2013 for alteration of Memorandum of Association of the Company to reflect the increased Authorized Share Capital.

Place: Mumbai

Date: April 24, 2019

Rupal Dhiren Jhaveri

FCS No: 5441

Certificate of Practice No. 4225

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

To,
The Members

KOTAK MAHINDRA GENERAL INSURANCE COMPANY LIMITED

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

'Annexure A'

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

Place: Mumbai
Date: April 24, 2019

Rupal Dhiren Jhaveri
FCS No: 5441
Certificate of Practice No. 4225

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2019

[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 | U66000MH2014PLC260291 |
| ii) | Registration Date | December 20, 2014 |
| iii) | Name of the Company | Kotak Mahindra General Insurance Company Limited |
| iv) | Category | Company limited by shares |
| | Sub-Category of the Company | Indian Non-Government Company |
| v) | Address of the Registered office and contact details | 27BKC, C27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051 Tel: 022 61660001 |
| vi) | Whether listed company Yes / No | No |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | NA |

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 | General insurance business (including health insurance) | 65120 | 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 | Kotak Mahindra Bank Limited 27BKC, C 27, G - Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 | L65110MH1985PLC038137 | Holding | 100 | 2(87) |

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)
i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|------------------|------------------|-------------------|---|------------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF* | - | 6 | 6 | 0.01 | - | 6 | 6 | 0.01 | - |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | 174999949 | 174999994 | 99.99 | - | 219999994 | 219999994 | 99.99 | 25.71 |
| f) Any Other... | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1):- | - | 175000000 | 175000000 | 100.00 | - | 220000000 | 220000000 | 100.00 | 25.71 |
| (2) Foreign | | | | | | | | | |
| a) NRIs – Individuals | - | - | - | - | - | - | - | - | - |
| b) Other – Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other... | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2):- | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | - | 175000000 | 175000000 | 100.00 | - | 220000000 | 220000000 | 100.00 | 25.71 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | - | - | - | - | - | - | - | - | - |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|-----------|-----------|-------------------|---|-----------|--------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | - | - | - | - | - | - | - | - | - |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | - | - | - | - | - | - | - | - | - |
| c) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | - | - | - | - | - | - | - | - | - |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | - | - | - | - | - | - | - | - | - |
| C. Shares held by Custodian for GD₹ & AD₹ | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | - | 175000000 | 175000000 | 100.00 | 220000000 | 220000000 | 100.00 | 25.71 | |

*Individuals are nominees of Kotak Mahindra Bank Ltd. and they do not hold any beneficial interest in the shares

(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 share holding during the year |
|--------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of Total Shares of the company | % of Shares Pledged / Encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / Encumbered to total shares | |
| 1 | Kotak Mahindra Bank Limited and its nominees | 175000000 | 100.00 | - | 220000000 | 100.00 | - | 25.71 |
| | Total | 175000000 | 100.00 | - | 220000000 | 100.00 | - | 25.71 |

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

| Sl. No. | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | |
|---------|---|----------------------------------|---|----------------------------------|--------|
| | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | |
| | At the beginning of the year | 175000000 | 100.00 | 175000000 | 100.00 |
| | Further issue of shares via Rights issue | 45000000 | - | 45000000 | - |
| | At the End of the year | 220000000 | 100.00 | 220000000 | 100.00 |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GD₹ and AD₹):

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

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | At the beginning of the year | 2* | - | 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): | - | - | - | - |
| | At the End of the year | 2* | - | 2* | - |

*2 shares held by a Directors as nominees of Kotak Mahindra Bank Ltd. They have no beneficial interest in the shares.

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 | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| • Addition | - | - | - | - |
| • Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

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

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | Total Amount |
|---------|---|------------------------|----------|----------|--------------------|
| | | MD & CEO | WTD | Manager | |
| 1. | Gross salary | - | - | - | - |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 2,52,31,235 | - | - | 2,52,31,235 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 44,27,411 | - | - | 44,27,411 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | - | - | |
| 2. | Stock Option | | - | - | |
| 3. | Sweat Equity | | - | - | |
| 4. | Commission | | - | - | |
| | - as % of profit | | - | - | |
| | - others, specify | | - | - | |
| 5. | Others, please specify | | - | - | |
| | Total (A) | 2,96,58,646 | - | - | 2,96,58,646 |
| | Ceiling as per the Act | | - | - | |

B. Remuneration to other directors:

(₹'000)

| Name of Director | Sitting Fee | Commission |
|-----------------------|-------------|------------|
| Gaurang Shah | - | - |
| Arun Agarwal | 380 | - |
| Dhananjay Date | 320 | - |
| Murlidhar Gangadharan | - | - |
| Virat Diwanji | - | - |
| Anu Agarwal | - | - |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| Sl. no. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|---|--------------------------|-------------------|------------------|
| | | CEO | Company Secretary | CFO |
| 1. | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | As mentioned above | 31,43,230 | 46,35,660 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | 71,316 |
| | (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | | | |
| | - as % of profit | - | - | - |
| | - others, specify... | - | - | - |
| 5. | Others, please specify | - | - | - |
| | Total | - | 31,43,230 | 47,06,976 |

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 | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| B. DIRECTORS | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

FORM NO. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis : NA

| | | |
|-----|---|----|
| (a) | Name(s) of the related party and nature of relationship | NA |
| (b) | Nature of contracts/arrangements/ transactions | |
| (c) | Duration of the contracts/ arrangements/transactions | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| (e) | Justification for entering into such contracts or arrangements or transactions | |
| (f) | Date(s) of approval by the Board | |
| (g) | Amount paid as advances, if any: | |
| (h) | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | |

2. Details of material contracts or arrangement or transactions at arm's length basis

| | | |
|-----|--|--|
| (a) | Name(s) of the related party and nature of relationship | As per details provided in the related party disclosures |
| (b) | Nature of contracts/arrangements/ transactions | |
| (c) | Duration of the contracts / arrangements/transactions | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| (e) | Date(s) of approval by the Board, if any | |
| (f) | Amount paid as advances, if any: | |

Independent Auditor's Report

TO THE MEMBERS OF KOTAK MAHINDRA GENERAL INSURANCE COMPANY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of **Kotak Mahindra General Insurance Company Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, the Revenue Account, the Profit & Loss Account and Receipts and Payments Account for the year ended on that date, the schedules annexed there to and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the Revenue Account, the Profit & Loss Account and Receipts and Payments Account for the year ended on that date for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2019. There are no Key Audit Matters to be reported.

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

The Company's Board of Directors is responsible for the preparation of the other information. We have been provided with the Board's Report and Secretarial Audit Report as on the date of signing this report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Based on our verification of the above referred reports, we did not come across any material inconsistency therein as compared to the financial statement.

OTHER MATTER

The actuarial valuation of liabilities Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) claims is the responsibility of the Company's Appointed Actuary ('the Appointed Actuary'). The estimate of claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER), included under Claims Outstanding as at March 31, 2019 has been duly certified by the Company's Appointed Actuary, and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of Financial Statements in accordance with

- (a) The Insurance Act, 1938 (Act 4 of 1938) as amended by Insurance Laws (Amendment) Act, 2015 read with circular no. IRDAI/F&A/CIR/CPM/056/03/2016 dated 4th April, 2016 and IRDAI/F&A/CIR/CPM/010/01/2017 dated January 12, 2017 (the "Insurance Act");
- (b) The Insurance Regulatory and Development Act, 1999 (the "IRDA Act") ,
- (c) IRDA (Preparation of Financial Statements and Auditor's report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statement Regulations").

(d) Orders/Directions Issued by the Insurance Regulatory and Development Authority of India (the "IRDA") in this regard.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act and the Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and in the manner so required. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have taken into account the provisions of the Act, the Insurance Act, the IRDA Act, the IRDA Financial Statement Regulations, orders/directions issued by the IRDA, 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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by IRDA Act and IRDA Financial Statement Regulations, we set out in the 'Annexure A' statement, certifying the matters specified in paragraph 3 and 4 of Schedule C to the Regulations.

As required by the IRDA Financial Statements Regulations read with Section 143 (3) of the Act, we further report:

- (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 Company so far as it appears from our examination of those books
- (c) As the Company's financial accounting system is centralized, no returns for the purposes of our audit are prepared at the branches of the Company.
- (d) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with in this report are in agreement with the books of account.
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act to the extent they are not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders/directions issued by the IRDA in this regard.
- (f) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the IRDA Financial Statements Regulations and/or orders/directions issued by the IRDA in this regard,

In our opinion, the accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards specified under section 133 of the Company Act and with the accounting principles as prescribed in the IRDA Financial Statements Regulations and Orders/direction issued by IRDA in this regard.

- (g) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (h) The managerial remuneration paid to the Managing Director is currently governed as per Section 34A of the Insurance Act. The remuneration for FY 2018-19 to the Managing Director has been approved by IRDA as per their approval vide letter IRDA/Non Life/2016-17/359 dated 16.07.2018. Hence, there is no reporting required in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations as at the balance sheet date which has an impact on its financial position in its financial statements.
 - ii. The Company did not have any other long term contracts including derivative contracts for which there we any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For **K.S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No.100186W

For **V. C. Shah & Co**
Chartered Accountants
ICAI Firm Registration No. 109818W

Rajesh S. Joshi
Membership No.38526
Partner
Mumbai, April 24, 2019

V.C. Shah
Membership No. 10360
Partner
Mumbai, April 24, 2019

“Annexure A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Kotak Mahindra General Insurance Company Limited of even date)

AUDITORS’ CERTIFICATE

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by **Kotak Mahindra General Insurance Company Limited** (‘the Company’) for the year ended March 31, 2019, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2019, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
2. Based on the Management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, we certify that the Company has complied with the terms and conditions of registration stipulated by IRDA;
3. We have verified the Cash Balances, to the extent considered necessary, and securities relating to the Company's investments as at March 31, 2019 by actual inspection or on the basis of certificate/confirmations received from the depository participant appointed by the Company, as the case may be.
4. The Company is not a trustee of any trust; and
5. No part of the assets of the Policyholders’ funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938 (4 of 1938), as amended by Insurance Laws (Amendment) Act, 2015 relating to the application and investment of the Policyholders’ funds.

This certificate is issued to comply with Para 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) Regulations, 2002, (“the Regulations”) and may not be suitable for any other purpose.

For **K.S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No.100186W

For **V. C. Shah & Co**
Chartered Accountants
ICAI Firm Registration No. 109818W

Rajesh S. Joshi
Membership No.38526
Partner
Mumbai, April 24, 2019

V.C. Shah
Membership No. 10360
Partner
Mumbai, April 24, 2019

“Annexure B” to the Independent Auditor’s Report

(Referred to in paragraph 1(i) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Kotak Mahindra General Insurance Company Limited of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

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

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements of the Company that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 including the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the “Insurance Act”), the Insurance Regulatory and Development Authority Act, 1999 (the “IRDA Act”), the IRDA Financial Statements Regulations, orders/directions issued by the Insurance

Regulatory and Development Authority of India (the “IRDA”) and circulars/notifications issued by IRDAI from time to time (including circular no. IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016 and IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017) in this regard.

AUDITORS’ RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

OTHER MATTER

The actuarial valuation of liabilities Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) claims is the responsibility of the Company's Appointed Actuary ('the Appointed Actuary'). The estimate of claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER), included under Claims Outstanding as at March 31, 2019 has been duly certified by the Company's Appointed Actuary, and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

For **K.S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No.100186W

For **V. C. Shah & Co**
Chartered Accountants
ICAI Firm Registration No. 109818W

Rajesh S. Joshi
Membership No.38526
Partner
Mumbai, April 24, 2019

V.C. Shah
Membership No. 10360
Partner
Mumbai, April 24, 2019

Balance Sheet

As at March 31, 2019

₹ '000

| S. No | Particulars | Schedule | As at 31.03.2019 | As at 31.03.2018 |
|---|---|----------|--------------------|--------------------|
| Sources of Funds | | | | |
| 1 | Share Capital | 5 | 2,200,000 | 1,750,000 |
| 2 | Share Application Money Pending Allotment | | - | - |
| 3 | Reserves And Surplus | 6 | - | - |
| 4 | Fair Value Change Account - Shareholder's fund | | 1,341 | - |
| 5 | Fair Value Change Account - Policyholder's fund | | 3,981 | - |
| 6 | Borrowings | 7 | - | - |
| TOTAL | | | 2,205,322 | 1,750,000 |
| Application of Funds | | | | |
| 1 | Investments-Shareholders | 8 | 946,114 | 755,421 |
| | Investments-Policyholders | 8A | 3,202,128 | 1,733,226 |
| 2 | Loans | 9 | - | - |
| 3 | Fixed Assets | 10 | 71,284 | 102,992 |
| 4 | Deferred Tax Asset (Refer Note 26 of Schedule 16) | | - | - |
| 5 | Current Assets | | | |
| | Cash and Bank Balances | 11 | 125,948 | 95,329 |
| | Advances and Other Assets | 12 | 333,961 | 216,511 |
| Sub-Total (A) | | | 459,909 | 311,840 |
| 6 | Current Liabilities | 13 | 1,924,213 | 968,884 |
| 7 | Provisions | 14 | 1,671,589 | 957,290 |
| | Sub-Total (B) | | 3,595,802 | 1,926,174 |
| Net Current Assets (C) = (A - B) | | | (3,135,893) | (1,614,334) |
| 8 | Miscellaneous Expenditure (to the extent not written off or adjusted) | 15 | - | - |
| 9 | Debit Balance in Profit and Loss Account | | 1,121,689 | 772,695 |
| TOTAL | | | 2,205,322 | 1,750,000 |

Significant Accounting Policies & Notes to Accounts - Schedule 16

The schedules referred to above form an integral part of the Financial Statements

As per our report of even date

For K.S.Aiyar & Co.

Chartered Accountants
Firm Registration No.: 100186W

Rajesh S Joshi
Partner
M. No :38526

For V.C.Shah & Co.

Chartered Accountants
Firm Registration No.: 109818W

V.C.Shah
Partner
M. No :10360

**For and on behalf of the Board of Directors
of Kotak Mahindra General Insurance Company Limited**

Gaurang Shah
Director
DIN : 00016660

Mahesh Balasubramanian
Managing Director and CEO
DIN: 02089182

Krishnan Gopalakrishnan
Chief Compliance Officer and Company Secretary

Virat Diwanji
Director
DIN : 07021146

Yash Kotak
Chief Financial Officer

Mumbai
Dated: April 24, 2019

Profit and Loss Account

for the year ended March 31, 2019

₹ '000

| S. No | Particulars | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|-------|--|-------------------------------|-------------------------------|
| 1 | Operating Profit/(Loss) | | |
| | (a) Fire Insurance | (13,874) | 3,939 |
| | (b) Marine Insurance | - | - |
| | (c) Miscellaneous Insurance | (404,497) | (396,648) |
| 2 | Income from Investments | | |
| | (a) Interest, Dividend & Rent – Gross | 75,646 | 67,248 |
| | (b) Profit on sale/redemption of Investments | 9,033 | 12,594 |
| | Less: Loss on sale of investments | (4,071) | (2,712) |
| 3 | Other Income | 44 | 53 |
| | Profit/Loss on Sale of Fixed Assets | 1,646 | 101 |
| | TOTAL (A) | (336,073) | (315,425) |
| 4 | Provisions (Other than taxation) | | |
| | (a) For diminution in the value of Investments | - | - |
| | (b) For doubtful debts | - | - |
| | (c) Others | - | 312 |
| 5 | Other Expenses | | |
| | (a) Expenses other than those related to Insurance Business: | | |
| | Employees' related remuneration and welfare benefits | 12,921 | 9,758 |
| | (b) Bad debts written off | - | - |
| | (c) Others | - | - |
| | TOTAL (B) | 12,921 | 10,070 |
| | Profit / (Loss) Before Tax | (348,994) | (325,495) |
| | Provision for Taxation | | |
| | Current Tax | - | - |
| | Deferred Tax (Refer Note 26 of Schedule 16) | - | - |
| | Profit / (Loss) After Tax | (348,994) | (325,495) |
| | Profit available for appropriation | (348,994) | (325,495) |
| | Appropriations | | |
| | (a) Interim dividends paid during the year | - | - |
| | (b) Proposed final dividend | - | - |
| | (c) Dividend distribution tax | - | - |
| | (d) Transfer to any Reserves or Other Accounts | - | - |
| | Balance of profit/ (loss) brought forward from previous period | (772,695) | (447,200) |
| | Balance carried forward to Balance Sheet | (1,121,689) | (772,695) |
| | Earning Per Share (Basic & Diluted) | (1.62) | (1.90) |

Significant Accounting Policies & Notes to Accounts - Schedule 16

The schedules referred to above form an integral part of the Financial Statements

As per our report of even date

For K.S.Aiyar & Co.
Chartered Accountants
Firm Registration No.: 100186W

For V.C.Shah & Co.
Chartered Accountants
Firm Registration No.: 109818W

For and on behalf of the Board of Directors
of Kotak Mahindra General Insurance Company Limited

Rajesh S Joshi
Partner
M. No :38526

V.C.Shah
Partner
M. No :10360

Gaurang Shah
Director
DIN : 00016660

Virat Diwanji
Director
DIN : 07021146

Mahesh Balasubramanian
Managing Director and CEO
DIN: 02089182

Yash Kotak
Chief Financial Officer

Mumbai
Dated: April 24, 2019

Krishnan Gopalakrishnan
Chief Compliance Officer and Company Secretary

Revenue Account

for the year ended March 31, 2019

₹ '000

| Particulars | Schedule | For the year ended 31.03.2019 | | | | For the year ended 31.03.2018 | | | |
|--|----------|-------------------------------|----------|------------------|------------------|-------------------------------|----------|------------------|------------------|
| | | Fire | Marine | Miscellaneous | Total | Fire | Marine | Miscellaneous | Total |
| Premiums earned (Net) | 1 | 49,759 | - | 1,923,788 | 1,973,547 | 23,564 | - | 1,135,184 | 1,158,748 |
| Profit/ (Loss) on sale/redemption of Investments | | 302 | - | 11,613 | 11,915 | 154 | - | 12,624 | 12,778 |
| Others - Miscellaneous Income | | 3 | - | 103 | 106 | 0.8 | - | 68 | 69 |
| Interest, Dividend & Rent – Gross | | 7,191 | - | 177,618 | 184,809 | 2,718 | - | 86,265 | 88,983 |
| TOTAL (A) | | 57,255 | - | 2,113,122 | 2,170,377 | 26,437 | - | 1,234,141 | 1,260,578 |
| Claims Incurred (Net) | 2 | 29,163 | - | 1,314,037 | 1,343,200 | 9,226 | - | 821,078 | 830,304 |
| Commission | 3 | 4,286 | - | 194,960 | 199,246 | (84) | - | 134,177 | 134,093 |
| Contribution to Solatium Fund | | - | - | 963 | 963 | - | - | 594 | 594 |
| Change in Premium Deficiency | | - | - | - | - | - | - | - | - |
| Operating Expenses related to Insurance Business | 4 | 37,680 | - | 1,007,659 | 1,045,339 | 13,356 | - | 674,940 | 688,296 |
| TOTAL (B) | | 71,129 | - | 2,517,619 | 2,588,748 | 22,498 | - | 1,630,789 | 1,653,287 |
| Operating Profit/(Loss) from Fire/ Marine/Miscellaneous Business C= (A - B) | | (13,874) | - | (404,497) | (418,371) | 3,939 | - | (396,648) | (392,709) |
| APPROPRIATIONS | | | | | | - | - | - | - |
| Transfer to Shareholders' Account | | (13,874) | - | (404,497) | (418,371) | 3,939 | - | (396,648) | (392,709) |
| Transfer to Catastrophe Reserve | | - | - | - | - | - | - | - | - |
| Other Investments | | - | - | - | - | - | - | - | - |
| TOTAL (C) | | (13,874) | - | (404,497) | (418,371) | 3,939 | - | (396,648) | (392,709) |

Significant Accounting Policies & Notes to Accounts - Schedule 16

The schedules referred to above form an integral part of the Financial Statements

As required by Sec 40C(2) of Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act 2015, we hereby certify that all expenses of management in respect of General Insurance business transactions in India by the company have been fully recognised in the revenue account as expenses.

As per our report of even date

For K.S.Aiyar & Co.
Chartered Accountants
Firm Registration No.: 100186W

For V.C.Shah & Co.
Chartered Accountants
Firm Registration No.: 109818W

**For and on behalf of the Board of Directors
of Kotak Mahindra General Insurance Company Limited**

Rajesh S Joshi
Partner
M. No :38526

V.C.Shah
Partner
M. No :10360

Gaurang Shah
Director
DIN : 00016660

Virat Diwanji
Director
DIN : 07021146

Mahesh Balasubramanian
Managing Director and CEO
DIN: 02089182

Yash Kotak
Chief Financial Officer

Mumbai
Dated: April 24, 2019

Krishnan Gopalakrishnan
Chief Compliance Officer and Company Secretary

Receipts & Payments Account

for the year ended 31st March 2019

₹ '000

| Particulars | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|---|----------------------------------|----------------------------------|
| Cash Flows from the operating activities: | | |
| Premium received from policyholders, including advance receipts | 3,664,881 | 2,184,766 |
| Payments to the re-insurers, net of commissions and claims | (236,238) | (126,431) |
| Payments of claims | (737,820) | (385,906) |
| Payments of commission and brokerage | (268,419) | (154,300) |
| Payments of other operating expenses | (941,113) | (704,359) |
| Deposits, advances and staff loans | (54,261) | (4,276) |
| Income taxes paid (Net) | (858) | (26) |
| GST/Service tax paid | (352,510) | (239,549) |
| Cash flows before extraordinary items | 1,073,661 | 569,919 |
| Cash flow from extraordinary operations | - | - |
| Net cash flow from operating activities (A) | 1,073,661 | 569,919 |
| Cash flows from investing activities: | | |
| Purchase of fixed assets | (72,591) | (44,818) |
| Proceeds from sale of fixed assets | 2,936 | 1,452 |
| Purchases of investments | (11,805,189) | (4,106,940) |
| Sales of investments | 10,041,435 | 2,986,279 |
| Repayments received | 155,000 | 111,100 |
| Rents/Interests/ Dividends received | 216,837 | 139,827 |
| Investments in money market instruments and in liquid mutual funds (Net) | (30,918) | 6,079 |
| Expenses related to investments | (554) | (272) |
| Net cash flow from investing activities (B) | (1,493,044) | (907,293) |
| Cash flows from financing activities: | | |
| Proceeds from issuance of share capital | 450,000 | 400,000 |
| Proceeds from borrowing | - | - |
| Repayments of borrowing | - | - |
| Interest/dividends paid | - | - |
| Net cash flow from financing activities (C') | 450,000 | 400,000 |
| Effect of foreign exchange rates on cash and cash equivalents, (Net) (D) | - | - |
| Net decrease in cash and cash equivalents: (A+B+C+D) | 30,618 | 62,626 |
| Cash and cash equivalents at the beginning of the year | 95,329 | 32,703 |
| Cash and cash equivalents at the end of the year | 125,947 | 95,329 |
| Net increase/(decrease) in cash and cash equivalents | 30,618 | 62,626 |

Notes To Accounts

Refer Schedule 11 for components of cash and bank balances

As per our report of even date

For K.S.Aiyar & Co.
Chartered Accountants
Firm Registration No.: 100186W

For V.C.Shah & Co.
Chartered Accountants
Firm Registration No.: 109818W

**For and on behalf of the Board of Directors
of Kotak Mahindra General Insurance Company Limited**

Rajesh S Joshi
Partner
M. No :38526

V.C.Shah
Partner
M. No :10360

Gaurang Shah
Director
DIN : 00016660

Virat Diwanji
Director
DIN : 07021146

Mahesh Balasubramanian
Managing Director and CEO
DIN : 02089182

Yash Kotak
Chief Financial Officer

Mumbai
Dated: April 24, 2019

Krishnan Gopalakrishnan
Chief Compliance Officer and Company Secretary

Schedules

 forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 1 - PREMIUM EARNED (NET)

₹ '000

| Particulars | For the year ended 31.03.2019 | | | | | For the year ended 31.03.2018 | | | | |
|---|-------------------------------|----------|----------|------------------|------------------|-------------------------------|----------|----------|------------------|------------------|
| | Fire | Marine | | Miscellaneous* | Total | Fire | Marine | | Miscellaneous* | Total |
| | | Cargo | Others | | | | Cargo | Others | | |
| Premium from direct business written : | 162,254 | - | - | 2,848,845 | 3,011,099 | 81,556 | - | - | 1,772,359 | 1,853,915 |
| Add : Premium on reinsurance accepted | 21,515 | - | - | 5,045 | 26,560 | 22,029 | - | - | 4,668 | 26,697 |
| Less : Premium on reinsurance ceded | 90,386 | - | - | 275,821 | 366,207 | 59,897 | - | - | 191,309 | 251,206 |
| Net Premium | 93,383 | - | - | 2,578,069 | 2,671,452 | 43,688 | - | - | 1,585,718 | 1,629,406 |
| Adjustment for change in reserve for unexpired risks : | | | | | | | | | | |
| Change in the unexpired risk reserve | 43,624 | - | - | 654,281 | 697,905 | 20,124 | - | - | 450,534 | 470,658 |
| Total Premium Earned (Net) | 49,759 | - | - | 1,923,788 | 1,973,547 | 23,564 | - | - | 1,135,184 | 1,158,747 |
| Premium Income from business effected : | | | | | | | | | | |
| In India | 49,759 | - | - | 1,923,788 | 1,973,547 | 23,564 | - | - | 1,135,184 | 1,158,747 |
| Outside India | - | - | - | - | - | - | - | - | - | - |
| Total Premium Earned (Net) | 49,759 | - | - | 1,923,788 | 1,973,547 | 23,564 | - | - | 1,135,184 | 1,158,747 |

*Refer Schedule 1A

SCHEDULE 1A - PREMIUM EARNED (NET)

for the year ended 31.03.2019

₹ '000

| Particulars | Motor OD | Motor TP | Motor Total | Workmen's Compensation | Public Liability | Engineering | Aviation | Personal Accident | Health Insurance | Trade Credit | Others | Total |
|---|----------------|----------------|------------------|------------------------|------------------|--------------|----------|-------------------|------------------|--------------|---------------|------------------|
| Premium from direct business written : | 1,036,087 | 939,914 | 1,976,001 | 2,920 | - | 3,622 | - | 149,791 | 607,617 | - | 108,894 | 2,848,845 |
| Add : Premium on reinsurance accepted | - | - | - | - | - | 5,045 | - | - | - | - | - | 5,045 |
| Less : Premium on reinsurance ceded | 64,010 | 57,806 | 121,816 | 179 | - | 3,642 | - | 89,238 | 38,354 | - | 22,592 | 275,821 |
| Net Premium | 972,077 | 882,108 | 1,854,185 | 2,741 | - | 5,025 | - | 60,553 | 569,263 | - | 86,302 | 2,578,069 |
| Adjustment for change in reserve for unexpired risks : | | | | | | | | | | | | |
| Change in the unexpired risk reserve | 124,672 | 194,343 | 319,015 | 999 | - | 702 | - | 26,889 | 225,916 | - | 80,760 | 654,281 |
| Total Premium Earned (Net) | 847,405 | 687,765 | 1,535,170 | 1,742 | - | 4,323 | - | 33,664 | 343,347 | - | 5,542 | 1,923,788 |
| Premium Income from business effected : | | | | | | | | | | | | |
| In India | 847,405 | 687,765 | 1,535,170 | 1,742 | - | 4,323 | - | 33,664 | 343,347 | - | 5,542 | 1,923,788 |
| Outside India | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Premium Earned (Net) | 847,405 | 687,765 | 1,535,170 | 1,742 | - | 4,323 | - | 33,664 | 343,347 | - | 5,542 | 1,923,788 |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 1A - PREMIUM EARNED (NET)

for the year ended 31.03.2018

₹ '000

| Particulars | Motor OD | Motor TP | Motor Total | Workmen's Compensation | Public Liability | Engineering | Aviation | Personal Accident | Health Insurance | Trade Credit | Others | Total |
|--|----------------|----------------|------------------|------------------------|------------------|--------------|----------|-------------------|------------------|--------------|----------------|------------------|
| Premium from direct business written : | 814,659 | 579,048 | 1,393,707 | - | - | - | - | 71,015 | 252,789 | - | 54,848 | 1,772,359 |
| Add : Premium on reinsurance accepted | - | - | - | - | - | 4,668 | - | - | - | - | - | 4,668 |
| Less : Premium on reinsurance ceded | 60,029 | 37,699 | 97,728 | - | - | 542 | - | 45,623 | 12,723 | - | 34,693 | 191,309 |
| Net Premium | 754,630 | 541,349 | 1,295,979 | - | - | 4,126 | - | 25,392 | 240,066 | - | 20,155 | 1,585,718 |
| Adjustment for change in reserve for unexpired risks : | - | - | - | - | - | - | - | - | - | - | - | - |
| Change in the unexpired risk reserve | 152,304 | - | 313,256 | - | - | 104 | - | 4,004 | 110,445 | - | 22,725 | 450,534 |
| Total Premium Earned (Net) | 602,326 | 380,397 | 982,723 | - | - | 4,022 | - | 21,388 | 129,621 | - | (2,570) | 1,135,184 |
| Premium Income from business effected : | - | - | - | - | - | - | - | - | - | - | - | - |
| In India | 602,326 | 380,397 | 982,723 | - | - | 4,022 | - | 21,388 | 129,621 | - | (2,570) | 1,135,184 |
| Outside India | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Premium Earned (Net) | 602,326 | 380,397 | 982,723 | - | - | 4,022 | - | 21,388 | 129,621 | - | (2,570) | 1,135,184 |

SCHEDULE 2 - CLAIMS INCURRED (NET)

₹ '000

| Particulars | For the year ended 31.03.2019 | | | | | For the year ended 31.03.2018 | | | | |
|---|-------------------------------|----------|----------|------------------|------------------|-------------------------------|----------|----------|----------------|----------------|
| | Fire | Marine | | Miscellaneous* | Total | Fire | Marine | | Miscellaneous* | Total |
| | | Cargo | Others | | | | Cargo | Others | | |
| Claims paid :- | | | | | | | | | | |
| Direct claims | 18,066 | - | - | 672,656 | 690,722 | 4,837 | - | - | 369,372 | 374,209 |
| Add : Re-insurance accepted to direct claims | 1,028 | - | - | 214 | 1,242 | 804 | - | - | 169 | 973 |
| Less : Re-insurance Ceded to claims | 10,406 | - | - | 40,908 | 51,314 | 2,595 | - | - | 45,246 | 47,841 |
| Net Claims Paid | 8,688 | - | - | 631,962 | 640,650 | 3,046 | - | - | 324,295 | 327,341 |
| Claims Outstanding (Including IBNR and IBNER) | | | | | | | | | | |
| Add : Claims Outstanding at the end of the period (Net of Reinsurance) | 26,672 | - | - | 1,355,978 | 1,382,650 | 6,197 | - | - | 673,903 | 680,100 |
| Less : Claims Outstanding at the beginning of the period (Net of Reinsurance) | 6,197 | - | - | 673,903 | 680,100 | 17 | - | - | 177,120 | 177,137 |
| Total Claims Incurred (Net) | 29,163 | - | - | 1,314,037 | 1,343,200 | 9,226 | - | - | 821,078 | 830,304 |
| Claims paid to claimants: | | | | | | | | | | |
| In India | 29,163 | - | - | 1,314,037 | 1,343,200 | 9,226 | - | - | 821,078 | 830,304 |
| Outside India | - | - | - | - | - | - | - | - | - | - |
| Total Claims Incurred | 29,163 | - | - | 1,314,037 | 1,343,200 | 9,226 | - | - | 821,078 | 830,304 |

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 2A - CLAIMS INCURRED (NET)

for the year ended 31.03.2019

₹ '000

| Particulars | Motor OD | Motor TP | Motor Total | Workmen's Compensation | Public Liability | Engineering | Aviation | Personal Accident | Health Insurance | Trade Credit | Others | Total |
|---|----------------|----------------|------------------|------------------------|------------------|-------------|----------|-------------------|------------------|--------------|--------------|------------------|
| Claims paid :- | | | | | | | | | | | | |
| Direct claims | 476,822 | 24,715 | 501,537 | - | - | 8 | - | 9,049 | 159,777 | - | 2,285 | 672,656 |
| Add : Re-insurance accepted to direct claims | - | - | - | - | - | 214 | - | - | - | - | - | 214 |
| Less : Re-insurance Ceded to claims | 23,842 | 2,039 | 25,881 | - | - | 7 | - | 6,052 | 7,989 | - | 979 | 40,908 |
| Net Claims Paid | 452,980 | 22,676 | 475,656 | - | - | 215 | - | 2,997 | 151,788 | - | 1,306 | 631,962 |
| Claims Outstanding (Including IBNR and IBNER) | - | - | - | - | - | - | - | - | - | - | - | - |
| Add : Claims Outstanding at the end of the period (Net of Reinsurance) | 123,505 | 1,173,242 | 1,296,747 | 930 | - | 140 | - | 9,777 | 45,375 | - | 3,009 | 1,355,978 |
| Less : Claims Outstanding at the beginning of the period (Net of Reinsurance) | 124,676 | 515,913 | 640,589 | - | - | - | - | 9,312 | 22,674 | - | 1,328 | 673,903 |
| Total Claims Incurred (Net) | 451,809 | 680,005 | 1,131,814 | 930 | - | 355 | - | 3,462 | 174,489 | - | 2,987 | 1,314,037 |
| Claims paid to claimants: | | | | | | | | | | | | |
| In India | 451,809 | 680,005 | 1,131,814 | 930 | - | 355 | - | 3,462 | 174,489 | - | 2,987 | 1,314,037 |
| Outside India | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Claims Incurred | 451,809 | 680,005 | 1,131,814 | 930 | - | 355 | - | 3,462 | 174,489 | - | 2,987 | 1,314,037 |

for the year ended 31.03.2018

₹ '000

| Particulars | Motor OD | Motor TP | Motor Total | Workmen's Compensation | Public Liability | Engineering | Aviation | Personal Accident | Health Insurance | Trade Credit | Others | Total |
|---|----------------|----------------|----------------|------------------------|------------------|-------------|----------|-------------------|------------------|--------------|--------------|----------------|
| Claims paid :- | - | - | - | - | - | - | - | - | - | - | - | - |
| Direct claims | 307,829 | 5,259 | 313,088 | - | - | - | - | 7,050 | 49,231 | - | 3 | 369,372 |
| Add : Re-insurance accepted to direct claims | - | - | - | - | - | 169 | - | - | - | - | - | 169 |
| Less : Re-insurance Ceded to claims | 38,737 | 263 | 39,000 | - | - | - | - | 3,783 | 2,461 | - | 2 | 45,246 |
| Net Claims Paid | 269,092 | 4,996 | 274,088 | - | - | 169 | - | 3,267 | 46,770 | - | 1 | 324,295 |
| Claims Outstanding (Including IBNR and IBNER) | - | - | - | - | - | - | - | - | - | - | - | - |
| Add : Claims Outstanding at the end of the period (Net of Reinsurance) | 124,676 | 515,913 | 640,589 | - | - | - | - | 9,312 | 22,674 | - | 1,328 | 673,903 |
| Less : Claims Outstanding at the beginning of the period (Net of Reinsurance) | 49,208 | 118,685 | 167,893 | - | - | - | - | 1,332 | 7,894 | - | 1 | 177,120 |
| Total Claims Incurred (Net) | 344,560 | 402,224 | 746,784 | - | - | 169 | - | 11,247 | 61,550 | - | 1,328 | 821,078 |
| Claims paid to claimants: | - | - | - | - | - | - | - | - | - | - | - | - |
| In India | 344,560 | 402,224 | 746,784 | - | - | 169 | - | 11,247 | 61,550 | - | 1,328 | 821,078 |
| Outside India | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Claims Incurred | 344,560 | 402,224 | 746,784 | - | - | 169 | - | 11,247 | 61,550 | - | 1,328 | 821,078 |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 3 - COMMISSION

₹ '000

| Particulars | For the year ended 31.03.2019 | | | | For the year ended 31.03.2018 | | | | | |
|---|-------------------------------|----------|----------|----------------|-------------------------------|--------------|----------|----------|----------------|----------------|
| | Fire | Marine | | Miscellaneous* | Total | Fire | Marine | | Miscellaneous* | Total |
| | | Cargo | Others | | | | Cargo | Others | | |
| Commission paid :- | | | | | | | | | | |
| Commission Paid Direct | 20,005 | - | - | 255,231 | 275,236 | 9,118 | - | - | 173,151 | 182,269 |
| Add: Re-insurance Accepted | 353 | - | - | 55 | 408 | 406 | - | - | 42 | 448 |
| Less: Commission on Re-insurance Ceded | 16,072 | - | - | 60,326 | 76,398 | 9,608 | - | - | 39,016 | 48,624 |
| Net Commission | 4,286 | - | - | 194,960 | 199,246 | (84) | - | - | 134,177 | 134,093 |
| Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below: | | | | | | | | | | |
| Agents | 156 | - | - | 16,960 | 17,116 | 150 | - | - | 13,074 | 13,224 |
| Brokers | 901 | - | - | 72,077 | 72,978 | 368 | - | - | 36,567 | 36,935 |
| Corporate Agency | 18,948 | - | - | 130,706 | 149,654 | 8,600 | - | - | 95,061 | 103,661 |
| Referral | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | 35,488 | 35,488 | - | - | - | 28,449 | 28,449 |
| TOTAL | 20,005 | - | - | 255,231 | 275,236 | 9,118 | - | - | 173,151 | 182,269 |
| Commission Paid | | | | | | | | | | |
| In India | 20,005 | - | - | 255,231 | 275,236 | 9,118 | - | - | 173,151 | 182,269 |
| Outside India | - | - | - | - | - | - | - | - | - | - |
| Total Commission | 20,005 | - | - | 255,231 | 275,236 | 9,118 | - | - | 173,151 | 182,269 |

SCHEDULE 3A - COMMISSION

for the year ended 31.03.2019

₹ '000

| Particulars | Motor OD | Motor TP | Motor Total | Workmen's Compensation | Public Liability | Engineering | Aviation | Personal Accident | Health Insurance | Others | Total |
|---|----------------|----------------|----------------|------------------------|------------------|--------------|----------|-------------------|------------------|---------------|----------------|
| Commission paid :- | | | | | | | | | | | |
| Commission Paid Direct | 171,286 | 27 | 171,313 | 435 | - | 375 | - | 2,167 | 63,988 | 16,953 | 255,231 |
| Add: Re-insurance Accepted | - | - | - | - | - | 55 | - | - | - | - | 55 |
| Less: Commission on Re-insurance Ceded | 7,771 | 2,352 | 10,123 | 22 | - | 587 | - | 40,137 | 6,942 | 2,515 | 60,326 |
| Net Commission | 163,515 | (2,325) | 161,190 | 413 | - | (157) | - | (37,970) | 57,046 | 14,438 | 194,960 |
| Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below: | | | | | | | | | | | |
| Agents | 16,038 | 10 | 16,048 | 79 | - | - | - | 56 | 764 | 13 | 16,960 |
| Brokers | 60,616 | 1 | 60,617 | 228 | - | 239 | - | 2,083 | 8,482 | 428 | 72,077 |
| Corporate Agency | 60,111 | 13 | 60,124 | 128 | - | 136 | - | 28 | 53,778 | 16,512 | 130,706 |
| Referral | - | - | - | - | - | - | - | - | - | - | - |
| Others | 34,521 | 3 | 34,524 | - | - | - | - | - | 964 | - | 35,488 |
| TOTAL | 171,286 | 27 | 171,313 | 435 | - | 375 | - | 2,167 | 63,988 | 16,953 | 255,231 |
| Commission Paid | | | | | | | | | | | |
| In India | 171,286 | 27 | 171,313 | 435 | - | 375 | - | 2,167 | 63,988 | 16,953 | 255,231 |
| Outside India | - | - | - | - | - | - | - | - | - | - | - |
| Total Commission | 171,286 | 27 | 171,313 | 435 | - | 375 | - | 2,167 | 63,988 | 16,953 | 255,231 |

Schedules forming part of Balance Sheet and Profit and Loss Account

for the year ended 31.03.2018

₹ '000

| Particulars | Motor OD | Motor TP | Motor Total | Workmen's Compensation | Public Liability | Engineering | Aviation | Personal Accident | Health Insurance | Others | Total |
|--|----------------|----------------|----------------|------------------------|------------------|-------------|----------|-------------------|------------------|--------------|----------------|
| Commission paid :- | | | | | | | | | | | |
| Commission Paid Direct | 130,002 | 35 | 130,037 | - | - | - | - | 96 | 34,358 | 8,660 | 173,151 |
| Add: Re-insurance Accepted | - | - | - | - | - | 42 | - | - | - | - | 42 |
| Less: Commission on Re-insurance Ceded | 6,110 | 1,448 | 7,558 | - | - | - | - | 23,200 | 1,940 | 6,318 | 39,016 |
| Net Commission | 123,892 | (1,413) | 122,479 | - | - | 42 | - | (23,104) | 32,418 | 2,342 | 134,177 |
| Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below: | | | | | | | | | | | |
| Agents | 12,828 | 16 | 12,844 | - | - | - | - | 5 | 188 | 37 | 13,074 |
| Brokers | 32,680 | 2 | 32,682 | - | - | - | - | 61 | 3,792 | 32 | 36,567 |
| Corporate Agency | 56,184 | 16 | 56,200 | - | - | - | - | 30 | 30,240 | 8,591 | 95,061 |
| Referral | - | - | - | - | - | - | - | - | - | - | - |
| Others | 28,310 | 1 | 28,311 | - | - | - | - | - | 138 | - | 28,449 |
| TOTAL | 130,002 | 35 | 130,037 | - | - | - | - | 96 | 34,358 | 8,660 | 173,151 |
| Commission Paid | | | | | | | | | | | |
| In India | 130,002 | 35 | 130,037 | - | - | - | - | 96 | 34,358 | 8,660 | 173,151 |
| Outside India | - | - | - | - | - | - | - | - | - | - | - |
| Total Commission | 130,002 | 35 | 130,037 | - | - | - | - | 96 | 34,358 | 8,660 | 173,151 |

SCHEDULE 4 - OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

₹ '000

| S. No. | Particulars | For the year ended 31.03.2019 | | | | For the year ended 31.03.2018 | | | | | |
|--------|--|-------------------------------|--------|--------|----------------|-------------------------------|-------|--------|--------|----------------|---------|
| | | Fire | Marine | | Miscellaneous* | Total | Fire | Marine | | Miscellaneous* | Total |
| | | | Cargo | Others | | | | Cargo | Others | | |
| 1 | Employees' remuneration & welfare benefits | 21,408 | - | - | 481,526 | 502,934 | 6,127 | - | - | 355,399 | 361,526 |
| 2 | Travel, conveyance and vehicle running expenses | 749 | - | - | 26,613 | 27,362 | 241 | - | - | 15,383 | 15,624 |
| 3 | Training expenses | 342 | - | - | 15,797 | 16,139 | 28 | - | - | 1,645 | 1,673 |
| 4 | Rents, rates & taxes | 1,304 | - | - | 53,951 | 55,255 | 601 | - | - | 40,094 | 40,695 |
| 5 | Repairs and maintenance | 436 | - | - | 13,603 | 14,039 | 188 | - | - | 10,966 | 11,154 |
| 6 | Printing & stationery | 254 | - | - | 7,979 | 8,233 | 89 | - | - | 5,602 | 5,691 |
| 7 | Communication | 351 | - | - | 11,222 | 11,573 | 150 | - | - | 9,028 | 9,178 |
| 8 | Legal & professional charges | 1,173 | - | - | 49,649 | 50,822 | 525 | - | - | 35,879 | 36,404 |
| 9 | Auditors' fees, expenses etc | - | - | - | - | - | - | - | - | - | - |
| | (a) as auditor | 74 | - | - | 2,326 | 2,400 | 34 | - | - | 1,966 | 2,000 |
| | (b) as adviser or in any other capacity, in respect of | - | - | - | - | - | - | - | - | - | - |
| | (i) Taxation matters | - | - | - | - | - | - | - | - | - | - |
| | (ii) Insurance matters | - | - | - | - | - | - | - | - | - | - |
| | (iii) Management services; and | - | - | - | - | - | - | - | - | - | - |
| | (c) in any other capacity | 10 | - | - | 305 | 315 | 1 | - | - | 65 | 66 |
| | (d) out of pocket expenses | - | - | - | - | - | 0.27 | - | - | 16 | 16 |
| 10 | Advertisement and publicity | 1,925 | - | - | 112,852 | 114,777 | 176 | - | - | 38,685 | 38,861 |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

₹ '000

| S. No. | Particulars | For the year ended 31.03.2019 | | | | For the year ended 31.03.2018 | | | | | |
|--------|---|-------------------------------|----------|----------|------------------|-------------------------------|---------------|----------|----------|----------------|----------------|
| | | Fire | Marine | | Miscellaneous* | Total | Fire | Marine | | Miscellaneous* | Total |
| | | | Cargo | Others | | | | Cargo | Others | | |
| 11 | Interest & Bank Charges | 258 | - | - | 8,058 | 8,316 | 45 | - | - | 2,633 | 2,678 |
| 12 | Others :- | | | | - | | | | | | |
| | Membership and Subscription Fees | 121 | - | - | 4,971 | 5,092 | 32 | - | - | 2,161 | 2,193 |
| | Information Technology Related Expenses | 3,447 | - | - | 108,694 | 112,141 | 1,189 | - | - | 69,450 | 70,639 |
| | Electricity Expenses | 127 | - | - | 3,969 | 4,096 | 39 | - | - | 2,277 | 2,316 |
| | Business Promotion | - | - | - | - | - | 0.04 | - | - | 2 | 2 |
| | Administrative Expenses | - | - | - | - | - | - | - | - | - | - |
| | Policy Related Expenses | - | - | - | - | - | - | - | - | - | - |
| | Directors Sitting Fees | 22 | - | - | 683 | 705 | 10 | - | - | 590 | 600 |
| | Exchange Gain/Loss (Net) | - | - | - | - | - | - | - | - | - | - |
| | Miscellaneous Expenses | 2,512 | - | - | 5,431 | 7,943 | 2,519 | - | - | 2,969 | 5,488 |
| 13 | Depreciation | 3,167 | - | - | 100,030 | 103,197 | 1,362 | - | - | 80,130 | 81,492 |
| | TOTAL | 37,680 | - | - | 1,007,659 | 1,045,339 | 13,356 | - | - | 674,940 | 688,296 |

*Refer Schedule 4A

SCHEDULE 4 (A) - OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

for the year ended 31.03.2019

₹ '000

| S. No | Particulars | Motor OD | Motor TP | Motor Total | Workmen's Compensation | Public Liability | Engineering | Aviation | Personal Accident | Health Insurance | Trade Credit | Others | Total |
|-------|--|----------|----------|-------------|------------------------|------------------|-------------|----------|-------------------|------------------|--------------|--------|---------|
| 1 | Employees' remuneration & welfare benefits | 187,799 | 154,145 | 341,944 | 711 | - | 162 | - | 10,938 | 103,289 | - | 24,482 | 481,526 |
| 2 | Travel, conveyance and vehicle running expenses | 10,456 | 9,486 | 19,942 | 25 | - | 6 | - | 545 | 5,239 | - | 856 | 26,613 |
| 3 | Training expenses | 6,716 | 6,093 | 12,809 | 11 | - | 3 | - | 249 | 2,334 | - | 391 | 15,797 |
| 4 | Rents, rates & taxes | 15,343 | 13,919 | 29,262 | 43 | - | 10 | - | 9,938 | 13,214 | - | 1,484 | 53,951 |
| 5 | Repairs and maintenance | 5,138 | 4,661 | 9,799 | 14 | - | 3 | - | 317 | 2,972 | - | 498 | 13,603 |
| 6 | Printing & stationery | 3,008 | 2,729 | 5,737 | 8 | - | 2 | - | 185 | 1,756 | - | 291 | 7,979 |
| 7 | Communication | 4,262 | 3,866 | 8,128 | 12 | - | 3 | - | 255 | 2,422 | - | 402 | 11,222 |
| 8 | Legal & professional charges | 19,275 | 17,485 | 36,760 | 77 | - | 9 | - | 854 | 9,316 | - | 2,633 | 49,649 |
| 9 | Auditors' fees, expenses etc | - | - | - | - | - | - | - | - | - | - | - | - |
| | (a) as auditor | 878 | 797 | 1,675 | 2 | - | 1 | - | 54 | 508 | - | 86 | 2,326 |
| | (b) as adviser or in any other capacity, in respect of | - | - | - | - | - | - | - | - | - | - | - | - |
| | (i) Taxation matters | - | - | - | - | - | - | - | - | - | - | - | - |
| | (ii) Insurance matters | - | - | - | - | - | - | - | - | - | - | - | - |
| | (iii) Management services; and | - | - | - | - | - | - | - | - | - | - | - | - |
| | (c) in any other capacity | 115 | 105 | 220 | - | - | - | - | 7 | 66 | - | 12 | 305 |
| | (d) out of pocket expenses | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Advertisement and publicity | 50,065 | 45,418 | 95,483 | 80 | - | 15 | - | 1,400 | 13,129 | - | 2,745 | 112,852 |
| 11 | Interest & Bank Charges | 3,043 | 2,761 | 5,804 | 9 | - | 2 | - | 188 | 1,760 | - | 295 | 8,058 |

Schedules forming part of Balance Sheet and Profit and Loss Account

for the year ended 31.03.2019

₹ '000

| S. No | Particulars | Motor OD | Motor TP | Motor Total | Workmen's Compensation | Public Liability | Engineering | Aviation | Personal Accident | Health Insurance | Trade Credit | Others | Total |
|-------|---|----------------|----------------|----------------|------------------------|------------------|-------------|----------|-------------------|------------------|--------------|---------------|------------------|
| 12 | Others :- | | | | | | | | | | | | |
| | Membership and Subscription Fees | 1,973 | 1,790 | 3,763 | 8 | - | 1 | - | 88 | 828 | - | 283 | 4,971 |
| | Information Technology Related Expenses | 41,206 | 37,381 | 78,587 | 115 | - | 26 | - | 2,507 | 23,517 | - | 3,942 | 108,694 |
| | Electricity Expenses | 1,499 | 1,360 | 2,859 | 4 | - | 1 | - | 92 | 867 | - | 146 | 3,969 |
| | Business Promotion | - | - | - | - | - | - | - | - | - | - | - | - |
| | Administrative Expenses | - | - | - | - | - | - | - | - | - | - | - | - |
| | Policy Related Expenses | - | - | - | - | - | - | - | - | - | - | - | - |
| | Directors Sitting Fees | 258 | 234 | 492 | 1 | - | - | - | 16 | 149 | - | 25 | 683 |
| | Exchange Gain/Loss (Net) | - | - | - | - | - | - | - | - | - | - | - | - |
| | Miscellaneous Expenses | 2,108 | 1,913 | 4,021 | 3 | - | 556 | - | 60 | 676 | - | 115 | 5,431 |
| 13 | Depreciation | 37,817 | 34,307 | 72,124 | 105 | - | 24 | - | 2,303 | 21,852 | - | 3,622 | 100,030 |
| | TOTAL | 390,959 | 338,450 | 729,409 | 1,228 | - | 824 | - | 29,996 | 203,894 | - | 42,308 | 1,007,659 |

for the year ended 31.03.2018

₹ '000

| S. No | Particulars | Motor OD | Motor TP | Motor Total | Workmen's Compensation | Public Liability | Engineering | Aviation | Personal Accident | Health Insurance | Trade Credit | Others | Total |
|-------|--|----------|----------|-------------|------------------------|------------------|-------------|----------|-------------------|------------------|--------------|--------|---------|
| 1 | Employees' remuneration & welfare benefits | 160,513 | 125,452 | 285,965 | - | - | - | - | 7,541 | 56,737 | - | 5,156 | 355,399 |
| 2 | Travel, conveyance and vehicle running expenses | 7,467 | 5,308 | 12,775 | - | - | - | - | 276 | 2,115 | - | 217 | 15,383 |
| 3 | Training expenses | 785 | 558 | 1,343 | - | - | - | - | 32 | 244 | - | 26 | 1,645 |
| 4 | Rents, rates & taxes | 16,658 | 11,840 | 28,498 | - | - | - | - | 4,765 | 6,287 | - | 544 | 40,094 |
| 5 | Repairs and maintenance | 5,235 | 3,721 | 8,956 | - | - | - | - | 216 | 1,624 | - | 170 | 10,966 |
| 6 | Printing & stationery | 2,708 | 1,925 | 4,633 | - | - | - | - | 102 | 786 | - | 81 | 5,602 |
| 7 | Communication | 4,311 | 3,064 | 7,375 | - | - | - | - | 172 | 1,336 | - | 146 | 9,029 |
| 8 | Legal & professional charges | 16,960 | 12,055 | 29,015 | - | - | - | - | 584 | 5,739 | - | 540 | 35,878 |
| 9 | Auditors' fees, expenses etc | - | - | - | - | - | - | - | - | - | - | - | - |
| | (a) as auditor | 939 | 667 | 1,606 | - | - | - | - | 39 | 290 | - | 31 | 1,966 |
| | (b) as adviser or in any other capacity, in respect of | - | - | - | - | - | - | - | - | - | - | - | - |
| | (i) Taxation matters | - | - | - | - | - | - | - | - | - | - | - | - |
| | (ii) Insurance matters | - | - | - | - | - | - | - | - | - | - | - | - |
| | (iii) Management services; and | - | - | - | - | - | - | - | - | - | - | - | - |
| | (c) in any other capacity | 31 | 22 | 53 | - | - | - | - | 1 | 10 | - | 1 | 65 |
| | (d) out of pocket expenses | 8 | 5 | 13 | - | - | - | - | 0.8 | 2 | - | 0.2 | 16 |
| 10 | Advertisement and publicity | 21,249 | 15,103 | 36,352 | - | - | - | - | 243 | 1,885 | - | 205 | 38,685 |
| 11 | Interest & Bank Charges | 1,257 | 893 | 2,150 | - | - | - | - | 52 | 390 | - | 41 | 2,633 |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

for the year ended 31.03.2018

₹ '000

| S. No | Particulars | Motor OD | Motor TP | Motor Total | Workmen's Compensation | Public Liability | Engineering | Aviation | Personal Accident | Health Insurance | Trade Credit | Others | Total |
|-------|---|----------------|----------------|----------------|------------------------|------------------|-------------|----------|-------------------|------------------|--------------|--------------|----------------|
| 12 | Others :- | - | - | - | - | - | - | - | - | - | - | - | - |
| | Membership and Subscription Fees | 1,063 | 756 | 1,819 | - | - | - | - | 37 | 276 | - | 29 | 2,161 |
| | Information Technology Related Expenses | 33,172 | 23,578 | 56,750 | - | - | - | - | 1,363 | 10,258 | - | 1,079 | 69,450 |
| | Electricity Expenses | 1,087 | 773 | 1,860 | - | - | - | - | 45 | 337 | - | 35 | 2,277 |
| | Business Promotion | 1 | 1 | 2 | - | - | - | - | 0.04 | 0.31 | - | 0.03 | 2 |
| | Directors Sitting Fees | 282 | 200 | 482 | - | - | - | - | 12 | 87 | - | 9 | 590 |
| | Miscellaneous Expenses | 1,480 | 1,052 | 2,532 | - | - | - | - | 64 | 333 | - | 40 | 2,969 |
| 13 | Depreciation | 38,210 | 27,160 | 65,370 | - | - | - | - | 1,560 | 11,967 | - | 1,233 | 80,130 |
| | TOTAL | 313,416 | 234,133 | 547,549 | - | - | - | - | 17,105 | 100,703 | - | 9,583 | 674,940 |

SCHEDULE 5 - SHARE CAPITAL

₹ '000

| S. No | Particulars | As at 31.03.2019 | As at 31.03.2018 |
|-------|---|------------------|------------------|
| 1 | Authorised Capital 235,000,000 (Previous Year: 190,000,000) Equity Shares of ₹ 10 each | 2,350,000 | 1,900,000 |
| 2 | Issued Capital 220,000,000 (Previous Year: 175,000,000) Equity Shares of ₹ 10 each | 2,200,000 | 1,750,000 |
| 3 | Subscribed Capital 220,000,000 (Previous Year: 175,000,000) Equity Shares of ₹ 10 each | 2,200,000 | 1,750,000 |
| 4 | Called-up Capital 220,000,000 (Previous Year: 175,000,000) Equity Shares of ₹ 10 each | 2,200,000 | 1,750,000 |
| | Less : Calls unpaid | - | - |
| | Add : Equity Shares forfeited (amount originally paid up) | - | - |
| | Less : Par Value of Equity Shares bought back | - | - |
| | Less : Preliminary Expenses | - | - |
| | Less : Expenses including commission or brokerage on underwriting or subscription of shares | - | - |
| | TOTAL | 2,200,000 | 1,750,000 |

Entire 220,000,000 (Previous Year 175,000,000) equity shares of ₹ 10 each fully paid up are held by Kotak Mahindra Bank Ltd the holding company and its nominees.

Schedules

 forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 5A - PATTERN OF SHAREHOLDING

| Sr No | Particulars | As at 31.03.2019 | | As at 31.03.2018 | |
|-------|--------------|--------------------|--------------|--------------------|--------------|
| | | Number of Shares | % of Holding | Number of Shares | % of Holding |
| 1 | Promoters | | | | |
| | - Indian | 220,000,000 | 100% | 175,000,000 | 100% |
| | - Foreign | - | - | - | - |
| | Others | | | | |
| | TOTAL | 220,000,000 | 100% | 175,000,000 | 100% |

SCHEDULE 6 - RESERVES AND SURPLUS

₹ '000

| S. No | Particulars | As at 31.03.2019 | As at 31.03.2018 |
|-------|--|------------------|------------------|
| 1 | Capital Reserve | - | - |
| 2 | Capital Redemption Reserve | - | - |
| 3 | Share Premium | - | - |
| 4 | General Reserves | - | - |
| | Less: Debit balance in Profit and Loss Account | - | - |
| | Less: Amount utilized for Buy-back | - | - |
| 5 | Catastrophe Reserve | - | - |
| 6 | Other Reserves | - | - |
| 7 | Balance in Profit & Loss Account | - | - |
| | TOTAL | - | - |

SCHEDULE 7 - BORROWINGS

₹ '000

| S. No | Particulars | As at 31.03.2019 | As at 31.03.2018 |
|-------|------------------------|------------------|------------------|
| 1 | Debentures/ Bonds | - | - |
| 2 | Banks | - | - |
| 3 | Financial Institutions | - | - |
| 4 | Others | - | - |
| | TOTAL | - | - |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 8 - INVESTMENTS-SHAREHOLDERS

₹ '000

| S. No | Particulars | As at 31.03.2019 | As at 31.03.2018 |
|-------------------------------|--|---------------------|---------------------|
| LONG TERM INVESTMENTS | | | |
| 1 | Government securities and Government guaranteed bonds including Treasury Bills | 302,514 | 193,810 |
| 2 | Other Approved Securities | - | - |
| 3 | Other Investments :- | - | - |
| | (a) Shares | - | - |
| | (aa) Equity | - | - |
| | (bb) Preference | - | - |
| | (b) Mutual Funds | - | - |
| | (c) Derivative Instruments | - | - |
| | (d) Debentures/ Bonds | 189,174 | 162,275 |
| | (e) Other Securities | - | - |
| | (f) Subsidiaries | - | - |
| | (g) Investment Properties-Real Estate | - | - |
| 4 | Investments in Infrastructure and Social Sector | 282,077 | 351,965 |
| 5 | Other than Approved Investments | 18,173 | - |
| SHORT TERM INVESTMENTS | | | |
| 1 | Government securities and Government guaranteed bonds including Treasury Bills | 50,110 | 676 |
| 2 | Other Approved Securities | - | - |
| 3 | Other Investments :- | - | - |
| | (a) Shares | - | - |
| | (aa) Equity | - | - |
| | (bb) Preference | - | - |
| | (b) Mutual Funds | 16,302 | 10,315 |
| | (c) Derivative Instruments | - | - |
| | (d) Debentures/ Bonds | 37,787 | 18,032 |
| | (e) Other Securities - Commercial Papers | - | - |
| | (f) Subsidiaries | - | - |
| | (g) Investment Properties-Real Estate | - | - |
| 4 | Investments in Infrastructure and Social Sector | 49,977 | 18,348 |
| 5 | Other than Approved Investments | - | - |
| TOTAL | | 946,114 | 755,421 |

Notes:

- All the Investments are free of any encumbrances.
- All the above Investments are performing assets.
- During the Period under review, there have been investments in Subsidiary, Joint Ventures & Fellow Subsidiaries as below:

Schedules forming part of Balance Sheet and Profit and Loss Account

- Investment in Mutual Fund Schemes of Kotak Mahindra Asset Management Company Limited ₹ 47,860 (PY12,000) (figures in '000), including ETF investment of ₹23,848 (PY NIL) (figures in '000),
 - Investment in Debentures of Kotak Mahindra Prime Ltd ₹ NIL (PY 1,00,012) (figures in '000).
- 4) Aggregate amount of investments other than listed equity securities and derivative instruments- ₹ 40,76,102 (PY 24,88,648) (figures in '000) Market Value: ₹40,42,029 (PY 24,20,945) (figures in '000).
- 5) Investment maturing within twelve months from balance sheet date and investments made with the specific intention to dispose of within twelve month from balance sheet date are categorised as Short Term Investments.
- 6) Value of contracts in relation to investments for Purchases where deliveries are pending NIL (Previous Year NIL), and in respect of sales where payments are overdue Rupees NIL (Previous Year NIL).
- 7) Segregation between Policyholders & Shareholders investments with reference to IRDAI Circular no IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016 and Circular No. IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017

SCHEDULE 8A - INVESTMENTS-POLICYHOLDERS

| | | ₹ '000 | |
|-------------------------------|--|---------------------|---------------------|
| S. No | Particulars | As at 31.03.2019 | As at 31.03.2018 |
| LONG TERM INVESTMENTS | | | |
| 1 | Government securities and Government guaranteed bonds including Treasury Bills | 1,290,903 | 737,223 |
| 2 | Other Approved Securities | - | - |
| 3 | Other Investments :- | - | - |
| | (a) Shares | - | - |
| | (aa) Equity | - | - |
| | (bb) Preference | - | - |
| | (b) Mutual Funds | - | - |
| | (c) Derivative Instruments | - | - |
| | (d) Debentures/ Bonds | 561,766 | 287,790 |
| | (e) Other Securities | - | - |
| | (f) Subsidiaries | - | - |
| | (g) Investment Properties-Real Estate | - | - |
| 4 | Investments in Infrastructure and Social Sector | 837,651 | 624,202 |
| 5 | Other than Approved Investments | 53,967 | - |
| SHORT TERM INVESTMENTS | | | |
| 1 | Government securities and Government guaranteed bonds including Treasury Bills | 148,804 | 1,199 |
| 2 | Other Approved Securities | - | - |
| 3 | Other Investments :- | - | - |
| | (a) Shares | - | - |
| | (aa) Equity | - | - |
| | (bb) Preference | - | - |
| | (b) Mutual Funds | 48,412 | 18,293 |
| | (c) Derivative Instruments | - | - |
| | (d) Debentures/ Bonds | 112,213 | 31,980 |
| | (e) Other Securities - Commercial Papers | - | - |
| | (f) Subsidiaries | - | - |
| | (g) Investment Properties-Real Estate | - | - |
| 4 | Investments in Infrastructure and Social Sector | 148,412 | 32,539 |
| 5 | Other than Approved Investments | - | - |
| TOTAL | | 3,202,128 | 1,733,226 |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

Notes:

- 1) All the Investments are free of any encumbrances.
- 2) All the above Investments are performing assets.
- 3) During the Period under review, there have been investments in Subsidiary, Joint Ventures & Fellow Subsidiaries as below:
 - Investment in Mutual Fund Schemes of Kotak Mahindra Asset Management Company Limited ₹ 47,860 (PY12,000) (figures in '000), including ETF investment of ₹23,848 (PY NIL) (figures in '000),
 - Investment in Debentures of Kotak Mahindra Prime Ltd ₹ NIL (PY 1,00,012) (figures in '000).
- 4) Aggregate amount of investments other than listed equity securities and derivative instruments- ₹ 40,76,102 (PY 24,88,648) (figures in '000) Market Value: ₹40,42,029 (PY 24,20,945) (figures in '000).
- 5) Investment maturing within twelve months from balance sheet date and investments made with the specific intention to dispose of within twelve month from balance sheet date are categorised as Short Term Investments.
- 6) Value of contracts in relation to investments for Purchases where deliveries are pending NIL (Previous Year NIL), and in respect of sales where payments are overdue Rupees NIL (Previous Year NIL).
- 7) Segregation between Policyholders & Shareholders investments with reference to IRDAI Circular no IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016 and Circular No. IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017

SCHEDULE 9 - LOANS

₹ '000

| S. No | Particulars | As at 31.03.2019 | As at 31.03.2018 |
|-------|--|---------------------|---------------------|
| 1 | SECURITY-WISE CLASSIFICATION | | |
| | Secured | - | - |
| | (a) On mortgage of property | - | - |
| | (aa) In India | - | - |
| | (bb) Outside India | - | - |
| | (b) On Shares, Bonds, Govt. Securities | - | - |
| | (c) Others | - | - |
| | Unsecured | - | - |
| | TOTAL | - | - |
| 2 | BORROWER-WISE CLASSIFICATION | | |
| | (a) Central and State Governments | - | - |
| | (b) Banks and Financial Institutions | - | - |
| | (c) Subsidiaries | - | - |
| | (d) Industrial Undertakings | - | - |
| | (e) Others | - | - |
| | TOTAL | - | - |
| 3 | PERFORMANCE-WISE CLASSIFICATION | | |
| | (a) Loans classified as standard | - | - |
| | (aa) In India | - | - |
| | (bb) Outside India | - | - |
| | (b) Non-performing loans less provisions | - | - |
| | (aa) In India | - | - |
| | (bb) Outside India | - | - |
| | TOTAL | - | - |
| 4 | MATURITY-WISE CLASSIFICATION | | |
| | (a) Short Term | - | - |
| | (b) Long Term | - | - |
| | TOTAL | - | - |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 10 - FIXED ASSETS

₹ '000

| Particulars | Cost/ Gross Block | | | Depreciation | | | | Net Block | | |
|--------------------------|--------------------|-----------------------------|---|------------------|--------------------|-------------------------------|-----------------------|------------------|------------------|------------------|
| | As at April 1,2018 | Additions during the period | Deductions/ adjustments during the period | As at 31.03.2019 | As at April 1,2018 | For the year ended 31.03.2019 | On Sales/ Adjustments | As at 31.03.2019 | As at 31.03.2019 | As at 31.03.2018 |
| Goodwill | - | - | - | - | - | - | - | - | - | - |
| Intangibles - Software | 157,703 | 30,743 | - | 188,446 | 96,353 | 73,549 | - | 169,902 | 18,544 | 61,350 |
| Land-Freehold | - | - | - | - | - | - | - | - | - | - |
| Leasehold Improvements | 3,809 | 183 | - | 3,992 | 1,179 | 655 | - | 1,834 | 2,158 | 2,630 |
| Buildings | - | - | - | - | - | - | - | - | - | - |
| Furniture & Fittings | 436 | 106 | - | 542 | 401 | 85 | - | 486 | 56 | 35 |
| IT Equipments | 73,599 | 11,983 | 96 | 85,486 | 48,747 | 21,145 | 65 | 69,827 | 15,659 | 24,852 |
| Vehicles | 21,837 | 22,936 | 7,428 | 37,345 | 8,773 | 7,360 | 6,169 | 9,964 | 27,381 | 13,064 |
| Office Equipment | 1,400 | 380 | - | 1,780 | 339 | 403 | - | 742 | 1,038 | 1,061 |
| Others | - | - | - | - | - | - | - | - | - | - |
| TOTAL | 258,784 | 66,331 | 7,524 | 317,591 | 155,792 | 103,197 | 6,234 | 252,755 | 64,836 | 102,992 |
| Capital Work in progress | - | 6,448 | - | 6,448 | - | - | - | - | 6,448 | - |
| Grand Total | 258,784 | 72,779 | 7,524 | 324,039 | 155,792 | 103,197 | 6,234 | 252,755 | 71,284 | 102,992 |
| Previous Year | 211,261 | 49,361 | 1,838 | 258,784 | 74,547 | 81,494 | 249 | 155,792 | 102,992 | 136,711 |

SCHEDULE 11 - CASH AND BANK BALANCE

₹ '000

| S. No | Particulars | As at 31.03.2019 | As at 31.03.2018 |
|-------|---|------------------|------------------|
| 1 | Cash (including cheques, drafts and stamps) | 50,438 | 6,401 |
| 2 | Bank Balances | | |
| | (a) Deposit Accounts | - | - |
| | (aa) Short-term (due within 12 months) | - | - |
| | (bb) Others | - | - |
| | (b) Current Accounts | 75,510 | 88,928 |
| | (c) Others | - | - |
| 3 | Money at Call and Short Notice | | |
| | (a) With Banks | - | - |
| | (b) With other Institutions | - | - |
| 4 | Others | - | - |
| | TOTAL | 125,948 | 95,329 |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 12 - ADVANCES AND OTHER ASSETS

₹ '000

| S. No | Particulars | As at 31.03.2019 | As at 31.03.2018 |
|-------|---|---------------------|---------------------|
| | ADVANCES | | |
| 1 | Reserve deposits with ceding companies | - | - |
| 2 | Application money for investments | - | - |
| 3 | Prepayments | 17,442 | 6,915 |
| 4 | Advances to Directors/Officers | - | - |
| 5 | Advance tax paid and taxes deducted at source (Net of provision for taxation) | 320 | 72 |
| 6 | Others :- | | |
| | Security Deposits | - | - |
| | Advances to employees | 2,290 | 1,204 |
| | Advances to vendors | 1,462 | 5,001 |
| | Advance to others | - | - |
| | TOTAL (A) | 21,514 | 13,192 |
| | OTHER ASSETS | | |
| 1 | Income accrued on investments | 115,155 | 72,121 |
| 2 | Outstanding Premiums | - | - |
| 3 | Agents' Balances | - | - |
| 4 | Foreign Agencies Balances | - | - |
| 5 | Due from other entities carrying on insurance business (including reinsurers) | 6,315 | 6,838 |
| 6 | Due from subsidiaries/ holding company | 202 | - |
| 7 | Deposit with Reserve Bank of India | - | - |
| 8 | Others :- | | |
| | Investment of Unclaimed Amount | 983 | 633 |
| | Security and other deposits | 5,329 | 1,675 |
| | Service Tax Unutilised Credit | - | - |
| | Cenvat Credit | - | - |
| | Sundry Debtors | 1,115 | 1,297 |
| | Terrorism Pool Receivables | 67,435 | 45,269 |
| | Deposits | - | - |
| | GST Unutilised Credit | 115,913 | 75,486 |
| | TOTAL (B) | 312,447 | 203,319 |
| | TOTAL (A+B) | 333,961 | 216,511 |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 13 - CURRENT LIABILITIES

| | | ₹ '000 | |
|--------------|---|---------------------|---------------------|
| S. No | Particulars | As at 31.03.2019 | As at 31.03.2018 |
| 1 | Agents' Balances | 19,599 | 8,896 |
| 2 | Balances due to other insurance companies | 92,143 | 59,174 |
| 3 | Deposits held on re-insurance ceded | - | - |
| 4 | Premiums received in advance | 88,549 | 13,874 |
| 5 | Unallocated Premium | 69,306 | 41,020 |
| 6 | Unclaimed Amount of Policyholders | 735 | 627 |
| 7 | Sundry creditors | 6,813 | 2,368 |
| 8 | Due to subsidiaries/ holding company | 17,585 | 11,183 |
| 9 | Claims Outstanding | 1,382,649 | 682,792 |
| 10 | Due to Officers/ Directors | - | - |
| 11 | Others :- | | |
| | Statutory Dues | 91,134 | 53,594 |
| | Refund Payable - Premium | 2,654 | 1,205 |
| | Provision for expenses | 150,637 | 92,106 |
| | Premium Deposits | - | - |
| | Solatium Fund | 1,815 | 852 |
| | Payable to Related Parties | - | - |
| | Contracts for Investments | - | - |
| | Stale Cheque | - | - |
| | Payable to Employees | 449 | 314 |
| | Claims Payable | 145 | 880 |
| TOTAL | | 1,924,213 | 968,884 |

SCHEDULE 14 - PROVISIONS

| | | ₹ '000 | |
|--------------|---|---------------------|---------------------|
| S. No | Particulars | As at 31.03.2019 | As at 31.03.2018 |
| 1 | Reserve for Unexpired Risk | 1,639,695 | 941,790 |
| 2 | For taxation (less advance tax paid and taxes deducted at source) | - | - |
| 3 | For proposed dividends | - | - |
| 4 | For dividend distribution tax | - | - |
| 5 | Others :- | | |
| | Gratuity | 22,042 | 13,587 |
| | Leave Encashment | 9,852 | 1,913 |
| 6 | Reserve for Premium Deficiency | - | - |
| TOTAL | | 1,671,589 | 957,290 |

SCHEDULE 15 - MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

| | | ₹ '000 | |
|--------------|---|---------------------|---------------------|
| S. No | Particulars | As at 31.03.2019 | As at 31.03.2018 |
| 1 | Discount Allowed in issue of shares/ debentures | - | - |
| 2 | Others | - | - |
| TOTAL | | - | - |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 16: NOTES TO THE FINANCIAL STATEMENTS

1. BACKGROUND

Kotak Mahindra General Insurance Company Limited ("The Company") was incorporated on December 20, 2014 under Companies Act, 2013 as a 100% subsidiary of Kotak Mahindra Bank Limited. The Company received certificate of registration from Insurance Regulatory and Development Authority (IRDAI) on November 18, 2015 with registration no. 152 and subsequently commenced operations on December 17, 2015. The Company is in the business of underwriting general insurance policies relating to Fire and Miscellaneous business lines.

2. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with the generally accepted accounting principles in India to comply with the accounting standards specified under section 133 and the relevant provision of the Companies Act, 2013, as applicable, and in accordance with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 read with Insurance Regulatory and Development Authority of India circular IRDAI /F&A/CIR/FA/059/03/2015 dated March 31, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 the ("IRDA Act"), and the regulations framed there under (also refer IRDAI) the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), circulars/notifications issued by IRDAI from time to time (including circular no. IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016 and IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017)

B. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the Management to make judgments, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. The estimates and assumptions used in the financial statements are based on Management's evaluation of the relevant facts and circumstances upto and as of the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is accounted for prospectively.

C. Revenue Recognition

Premium:

Premium net of goods and services tax (GST) (including reinsurance accepted & reinstatement premium) is recognised on commencement of the risk and for installment policies it is recognised on installment due dates. Premium earnings are recognised over the period of the policy or period of risk. Any revisions in premium amount are recognised in the year in which they occur & over the remaining period of the policy. Any Subsequent cancellations of policies are recognised in the same period in which it occur.

Commission on reinsurance ceded:

Commission on reinsurance ceded is recognized as income on ceding of reinsurance premium. Profit commission under reinsurance treaties, wherever applicable, is recognized in the year of final determination of the profits and as intimated by the Reinsurer.

Income earned on investments:

Interest income is recognized on accrual basis. Dividend income is recognized when right to receive is established, Accretion of discount and amortization of premium relating to debt securities is recognized over the holding or maturity period of such securities on constant yield basis.

The Net gain/ loss on transfer/ sale of debt securities is the difference between the transfer/sale price and the net amortized cost/ book value which is computed on a Weighted average basis as on the date of transfer/sale. Sale consideration for the purpose of realized gain/loss is net of brokerage and taxes, if any and excludes the interest received on sale

The realized gain or loss on mutual funds is the difference between sale consideration and carrying cost as on the date of sale, determined on a weighted average cost basis and includes accumulated changes in fair value taken in fair value change account earlier.

Schedules forming part of Balance Sheet and Profit and Loss Account

Any unrealized gain or loss in respect of mutual funds are recognized in 'fair value change account' in balance sheet and not available for distribution for dividend.

D. Premium Received In Advance

Premium received in advance represents the premium received prior to the commencement of the risk assumed on any policy. On balance sheet date such premium received in advance reflects in current liabilities.

E. Reserve for Unexpired Risk

Reserve for unexpired risk is recognized net of reinsurance ceded and represents premium written that is attributable and to be allocated to succeeding accounting periods for risks to be borne by the Company under contractual obligations over a contract period or period of risk, whichever is applicable. As per circular vide IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016 such reserves are calculated on a pro-rata basis under 1/365 basis subject to 100% for marine hull business, on all unexpired policies at Balance Sheet Date..

F. Reinsurance Premium Ceded and Reinsurance Accepted

Proportional Re-insurance premium ceded is accounted on due basis at the time when related premium income is accounted for. Non-proportional reinsurance cost is accounted as per terms of the reinsurance arrangements. Any revisions in reinsurance premium ceded are recognised in the period in which it occur. On cancellation of policies, related reinsurance premium ceded are recognised in the same period in which it occur.

Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.

G. Premium Deficiency Reserve

Premium deficiency is recognized when sum of expected claim cost, related expenses & maintenance cost (related to claims handling) exceed related reserve for unexpired risk. It is recognized on an annual basis and at segmental revenue account level viz., Fire, Marine & Miscellaneous. Premium Deficiency Reserve is estimated and certified by the Appointed Actuary.

H. Claims

Claims incurred includes claims paid net of reinsurance recovery and salvage value retained by the insured, change in loss reserve during the period, change in claims incurred but not reported (IBNR) & change in claims incurred but not enough reported (IBNER). Claims incurred also include survey fees/legal fees & other expenses directly attributable to claim cost. Claims will be recognized as and when intimation of it is received and provision will be determined (net of reinsurance recovery) by the management on the best estimate of claims likely to be paid based on survey reports, based on information received from various sources and from past experience.

Any subsequent information may result in revision of likely amount of final claim payment and accordingly there will be change in provision for outstanding claims.

IBNR is claim reserves provided for those claims which are incurred but not yet reported and IBNER is claim reserves provided for those claims which are incurred but not enough reported. Estimated liability for IBNR and IBNER has been estimated by the Appointed Actuary in compliance with the relevant regulations and guidelines issued by IRDAI and the same is duly certified by the Appointed Actuary of the Company.

I. Acquisition Cost

Acquisition costs are those costs that vary with, and are primarily related to, the acquisition of new and renewal insurance contracts viz commission. These costs are expensed in the period in which they are incurred.

J. Segment Reporting

In case of General insurance business, based on the primary segments identified under Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 read with AS 17 on "Segment Reporting" as specified under sec 133 of the act, read with rule 7 of The Companies (Accounts) Rules 2014 the Company has classified and disclosed segment information for Fire, Marine and Miscellaneous lines of business.

There are no reportable geographical segments, since all business is written in India.

Schedules

 forming part of Balance Sheet and Profit and Loss Account

K. Allocation of Investment income

In accordance with Circular No. IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017 issued by IRDAI on Segregation of Policyholder's fund and Shareholder funds, investment income for the period has been allocated to Revenue Account and Profit and Loss Account on basis of the ratio of average balance of policyholder's funds to average balance of shareholder's funds as at the close of each reporting period. Within the Revenue Account, the investment income shall be further allocated among the lines of business in proportion to average policy holder funds.

L. Allocation of Expenses

The Company has Board approved policy on allocation and apportionment of expenses of management as per notification of IRDAI dated April 27, 2016. The policy covers basis of allocation, expenses which shall be allocated, basis of apportionment and expenses which shall be apportioned. Expenses of Management related to insurance business are allocated to various segments on the following basis:

- a) Expenses which are directly identifiable are allocated to respective business segments on actuals
- b) Expenses which are not directly identifiable, are apportioned to the business segments on the basis of net written premium (before XOL).

M. Property, Plant and Equipment

Property, plant and Equipment are stated at acquisition cost inclusive of incidental expenses, net of accumulated depreciation and accumulated impairment losses, if any.

Intangible Assets

Intangible assets comprising software are stated at cost less amortization. Significant expenditure on improvements to software are capitalised when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and such expenditure can be measured and attributed to the assets reliably.

Depreciation / Amortisation:

Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of the assets at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimated useful lives of assets based on technical evaluation by management are as follows:

| Asset Type | Useful life in years |
|---|--|
| Improvement to leasehold premises | Over the period of lease subject to a maximum of 6 years |
| Office equipment | 5 |
| Furniture and Fixtures | 6 |
| Motor Vehicles | 4 |
| Intangible (Computer Software -including development expenditure) | 3 |
| Information Technology Equipment(Including computers) | 3 |

Used assets purchased are depreciated over the residual useful life from the date of purchase.

For assets purchased and sold during the year, depreciation is provided on pro rata basis by the Company.

Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

Capital work in progress includes assets which are not yet ready for its intended use and are carried at cost.

Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Schedules forming part of Balance Sheet and Profit and Loss Account

N. Employee Benefits

a. Short Term Benefits

All employee benefits payable within 12 months of rendering the services are classified as short term employee benefits. Benefits such as salary, bonuses, short term compensated absences and non-monetary benefits etc. are recognized in the period in which the employees renders the related service. All the short term benefit are accounted on undiscounted basis.

b. Long term Benefits

i. Provident Fund – Defined Contribution Plan:

Contribution as required by the Statute made to the Government Provident Fund is debited to the Profit and Loss Account when incurred. The company has no further obligations.

ii. New Pension Scheme - Defined Contribution Plan:

The Company contributes up to 10% of employees' salary per annum, for employees who have opted to the New Pension Fund administered by a PFRDA appointed pension fund manager. The Company recognises such contributions as an expense in the year they are incurred.

iii. Gratuity – Long Term Benefit Plan :

The Company provides for Gratuity, a defined benefit plan covering employees in accordance with the Payment of Gratuity Act, 1972. The Company's liability is actuarially determined (using Projected Unit Credit Method) at the Balance Sheet date.

Actuarial gains / losses are recognised immediately in the Profit and Loss Account in the year they are incurred.

iv. Compensated Absences - Other Long-Term Employee Benefits:

- O. The Company accrues the liability for compensated absences based on the actuarial valuation as at the Balance Sheet date conducted by an independent actuary which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the Company obligation is determined based on the Projected Unit Credit Method as at the Balance Sheet date. Actuarial Gains / Losses are recognised immediately in the Profit and Loss Account in the year in which they arise.

Investments

Investments are made and accounted for in accordance with the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015, The IRDA (Investment) Regulations, 2016 as amended and various other relevant circulars/ notification issued by IRDAI from time to time.

Investments are recorded at cost and include brokerage, transfer charges, stamps etc, and excludes pre acquisition interest, if any.

Investments maturing within twelve months from balance sheet date and investments made with specific intention to dispose off within twelve months from balance sheet date are classified as 'short term investments'

Investments other than 'short term investment' are classified as 'long term investment'.

Debt securities & non-convertible preference shares are considered as 'held to maturity' and stated at historical cost adjusted for amortization of premium or accretion of discount determined on constant yield to maturity basis over the holding/maturity period.

Mutual fund units are stated at their 'Net Asset Value' as at the balance sheet date. Any unrealized gain/loss will be accounted for under fair value change account.

In accordance with Circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016 and Circular No. IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017, in respect of Preparation of Financial Statements and Auditors' Report of Insurance Companies, the company has segregated investments between Policyholder and Shareholder.

P. Foreign Currency Transactions

Transactions denominated in foreign currency are recorded at the rate prevailing on the date of transactions. Foreign currency assets and liabilities are stated at the rate prevailing on the balance sheet date. Any gain or loss on settlement or restatement are accounted for in revenue account and profit & loss account.

Schedules

 forming part of Balance Sheet and Profit and Loss Account**Q. Operating Leases**

Where all the risks and benefits of ownership are retained by the lessor those are classified as operating lease. Payment on account of operating leases are accounted for under revenue account on straight line basis over the lease period.

R. Contribution to Terrorism Pool

In accordance with the requirements of IRDAI, the Company, together with other insurance companies, participated in the Terrorism Pool. This pool is managed by General Insurance Corporation of India (GIC). In accordance with the terms of the agreement, GIC retro cedes, to the Company, terrorism premium to the extent of shares agreed to be borne by the Company in the risk which is recorded as reinsurance accepted. Such Insurance accepted is recorded based on quarterly confirmation received from GIC. Accordingly, reinsurance accepted on account of Terrorism Pool has been recorded in accordance with the latest statement received from GIC as on December 31, 2018.

The entire amount of reinsurance accepted for the current year on this account, net of claims and expenses up to the above date, has been carried forward to the subsequent accounting period as Changes in unearned premium under Insurance Contract Liabilities for subsequent risks, if any, to be borne by the company.

S. Contribution to Solatium Fund

As per the requirements of IRDA, the company provides for contribution to Solatium Fund @ 0.10 % on the gross direct premium of motor third party policies.

T. Taxation

The company provides for current tax on taxable income for the current accounting period as per the provision of the Income Tax Act, 1961.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized for future tax consequences attributable to timing differences between accounting income and taxable income for the year.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future. However, where there is unabsorbed depreciation or carry forward of losses under taxation laws, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available against which deferred tax assets can be realized.

Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount virtually certain to be realized.

U. Goods and Services Tax (GST)

GST liability on premium are set-off against available GST credits. Unutilized credits, if any, are carried forward under "Advances and Other Assets" for set-off in subsequent periods.

V. Share Issue Expenses

Share Issue expenses in relation to increase in share capital are written off when incurred.

W. Earnings per share

Basic earnings per share is calculated by dividing net profit after tax by the weighted average number of equity shares outstanding during the reporting period.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for basic earnings per share and also weighted average number of equity shares which would have been issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are considered.

X. Provisions & Contingencies

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

Schedules forming part of Balance Sheet and Profit and Loss Account

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

A disclosure for a contingent liability other than those under policies is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Y. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Receipts and Payments Account include cash and cheques in hand, bank balances, other investments with original maturity of three months or less which are subject to insignificant risk of changes in value.

Z. Employee stock option scheme

Cash settled scheme:

The cost of cash-settled transactions (stock appreciation rights) is measured initially using intrinsic value method at the grant date taking into account the terms and conditions upon which the instruments were granted. This intrinsic value is amortised on a straight-line basis over the vesting period with a recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the settlement date with changes in intrinsic value recognised in the Revenue/Profit and loss account in 'Employees' remuneration & welfare benefits'.

AA. Receipts and Payments Account

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

Schedules forming the part of financial statements for the year ended March 31, 2019

(Currency: In thousands of Indian Rupees unless otherwise stated) Schedule 16: Notes to financial Statements

3. CONTINGENT LIABILITIES

| Sr No. | Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--------|--|------------------|------------------|
| 1 | Partly paid up investments | Nil | Nil |
| 2 | Underwriting commitments outstanding | Nil | Nil |
| 3 | Claims, other than those under policies, not acknowledged as debts | Nil | Nil |
| 4 | Guarantees given by or on behalf of the Company | Nil | Nil |
| 5 | Statutory demands/liabilities in dispute, not provided for | Nil | Nil |
| 6 | Reinsurance obligations to the extent not provided for in accounts | Nil | Nil |
| 7 | Others | Nil | Nil |

4. ENCUMBRANCES ON ASSETS

The assets of the Company are free from any encumbrances.

5. CAPITAL COMMITMENTS

| Sr No. | Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--------|---|------------------|------------------|
| 1 | Estimated amount of commitment pertaining to contracts remaining to be executed in respect of Fixed Asset (Net of Advances) | 2,643 | 14,843 |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

6. CLAIMS

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

| Sr No. | Particulars | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|--------|---------------|-------------------------------|-------------------------------|
| 1 | In India | 639,408 | 326,368 |
| 2 | Outside India | Nil | Nil |

There are no claims that have been settled and remaining outstanding for more than 6 months as at the end of year ₹ Nil (Previous Year Nil).

Ageing of gross claims outstanding is as under:

| Sr No. | Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--------|--------------------|------------------|------------------|
| 1 | More than 6 months | 240,102 | 141,675 |
| 2 | Other Claims | 234,399 | 32,299 |

7. PREMIUM

(a) Premiums, less reinsurance, written from business in/outside India:

| Sr No. | Particulars | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|--------|---------------|-------------------------------|-------------------------------|
| 1 | In India | 2,671,452 | 1,629,406 |
| 2 | Outside India | Nil | Nil |

(b) Premium income recognised, based on Varying Risk Pattern is Rupees Nil (Previous Year Nil).

8. EXTENT OF RISKS RETAINED AND REINSURED

Extent of risk retained and reinsured based on Gross written premium (excluding excess of loss and catastrophe reinsurance):

| Product | Gross Premium | Premium Ceded | Retention | Ceded % | Retention% |
|--------------------------------------|---------------|---------------|-----------|---------|------------|
| For the year ended 31.03.2019 | | | | | |
| Motor | 1,976,001 | 98,800 | 1,877,201 | 5% | 95% |
| Health | 607,617 | 38,354 | 569,263 | 6% | 94% |
| Personal Accident | 149,791 | 89,080 | 60,711 | 59% | 41% |
| Fire | 183,769 | 78,788 | 104,981 | 43% | 57% |
| Engineering | 8,667 | 2,989 | 5,678 | 34% | 66% |
| Others | 108,894 | 13,443 | 95,451 | 12% | 88% |
| Workmen's Compensation | 2,920 | 146 | 2,774 | 5% | 95% |
| For the year ended 31.03.2018 | | | | | |
| Motor | 1,393,707 | 69,685 | 1,324,022 | 5% | 95% |
| Health | 252,789 | 12,723 | 240,266 | 5% | 95% |
| Personal Accident | 71,015 | 39,101 | 31,914 | 55% | 45% |
| Fire | 103,585 | 51,319 | 52,266 | 50% | 50% |
| Engineering | 4,668 | - | 4,668 | 0% | 100% |
| Others | 54,848 | 29,592 | 25,256 | 54% | 46% |

Schedules forming part of Balance Sheet and Profit and Loss Account

9. INVESTMENTS:

Value of contracts in relation to investments for:

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| Purchases where deliveries are pending | Nil | 50,000 |
| Sales where payments are overdue | Nil | Nil |

Historical cost of value of Investments which are valued on fair value basis ₹ 131,532 (Previous Year Nil).

Investments made are in accordance with the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015 and Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended and are performing investments.

The Company has no non-performing assets for the purpose of income recognition as per the directions of IRDAI (Previous year ` Nil).

10. MANAGERIAL REMUNERATION

| Sr. No. | Particulars | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|---------|---|-------------------------------|-------------------------------|
| 1 | Salary & Perquisites | 26,451 | 23,430 |
| 2 | Contribution to Provident & Other Funds | 1470 | 1,329 |

(a) The managerial remuneration is in accordance with the requirements of section 34A of the Insurance Act, 1938 and as approved by IRDAI.

(b) The managerial remuneration does not include provision for gratuity and leave encashment, as provision for gratuity & leave encashment liability is determined actuarially for the Company as a whole and accordingly have not been considered in the above information.

11. SECTOR WISE BUSINESS BASED ON GROSS DIRECT PREMIUM INCOME (GDPI):

| Business Sector | For the year ended 31.03.2019 | | For the year ended 31.03.2018 | |
|-----------------|-------------------------------|-----------|-------------------------------|-----------|
| | GDPI | % of GDPI | GDPI | % of GDPI |
| Rural | 156,991 | 5% | 1,02,481 | 6% |
| Urban | 2,854,108 | 95% | 17,51,434 | 94% |
| Total | 3,011,099 | 100% | 18,53,915 | 100% |

| Social Sector | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|-----------------|-------------------------------|-------------------------------|
| Number of Lives | 58,496 | 1,941 |
| GDPI | 25,606 | 2.96 |

12. PREMIUM DEFICIENCY RESERVE:

In accordance with Master Circular and Corrigendum on Master Circular on preparation of financial statement issued by IRDA vide circular number IRDA/F&I/CIR/F&A/231/10/2012 dated October 5, 2012 and circular number IRDA/F&A/CIR/FA/126/07/2013 dated July 3, 2013 respectively, in respect of calculation and recognition of Premium deficiency, the company does not require to make any provision for Premium Deficiency Reserve during the current year. (Previous Year Nil).

13. OPERATING LEASES:

In respect of commercial premises taken on operating leases, rental payments are recognized in statement of profit & loss account on straight line basis over the period of lease term.

The aggregate operating lease rent amounting to ₹9,816 (Previous Year 3,676) has been charged to the Revenue Accounts in the current year.

The Company has entered into only cancellable lease agreements with lessor and there are no transactions in the nature of sublease.

Schedules

 forming part of Balance Sheet and Profit and Loss Account

14. RELATED PARTY:

The disclosures related to related parties as required by Accounting Standard 18 on Related Parties Disclosures as specified under Section 133, and the relevant provisions of the companies Act 2013.

| Particulars | Nature of Relationship | Name of the party |
|--|-------------------------|--|
| Parties where control exists | Holding Company | Kotak Mahindra Bank Limited (KMBL) |
| | | Mr. Uday S. Kotak along with his relatives and enterprises in which he has beneficial interest holds 29.99% of the equity share capital and 19.68% of the paid-up share capital of Kotak Mahindra Bank Limited as on 31 st March, 2019 (P.Y 30.04%) |
| | | Kotak Mahindra Prime Limited |
| | | Kotak Securities Limited |
| | | Kotak Mahindra Investments Limited |
| | | Kotak Mahindra Capital Company Limited |
| | | Kotak Mahindra Asset Management Company Limited |
| | | Kotak Mahindra Life Insurance Limited |
| | | Kotak Mahindra Trustee Company Limited |
| | | Kotak Investment Advisors Limited |
| Other Related Parties | Fellow Subsidiaries | Kotak Mahindra Trusteeship Services Limited |
| | | Kotak Infrastructure Debt Fund Limited (formerly known as Kotak Forex Brokerage Limited) |
| | | IVY Product Intermediaries Limited (Formerly known as ING Vysya Financial Services Limited) |
| | | BSS Microfinance Limited |
| | | Kotak Mahindra (International) Limited |
| | | Kotak Mahindra (UK) Limited |
| | | Kotak Mahindra, Inc. |
| | | Kotak Mahindra Asset Management (Singapore) Pte Limited |
| | | Kotak Mahindra Financial Services Limited |
| | | Kotak Mahindra Pension Fund Limited |
| Key Management Personnel (KMP) and its relatives | Managing Director & CEO | Mahesh Balasubramanian |
| Enterprises over which individual or their relatives have their significant influence. | | Kotak Commodities Services Private Ltd |
| | | Infina Finance Private Ltd |
| | | Phoenix ARC Private Limited |
| | | Harisiddha Trading and Finance Pvt Ltd |
| | | Palko Properties Private Ltd |
| | | Matrix Business Services India Private Limited |
| | | ACE Derivatives and Commodity Exchange Limited |

Schedules

forming part of Balance Sheet and Profit and Loss Account

| Particulars | Nature of Relationship | Name of the party |
|-------------|------------------------|---|
| | | Kotak Education Foundation |
| | | Aero Agencies Limited |
| | | Asian Machinery & Equipment Private Limited |
| | | Allied Auto Accessories Private Limited |
| | | Business Standard Private Limited |
| | | Business Standard Online Limited |
| | | Cumulus Trading Company Private Limited |
| | | Insurekot Sports Private Limited |
| | | Kotak Commodities International FZE |
| | | Komaf Financial Services Private Limited |
| | | Kotak and Company Private Limited |
| | | Kotak Chemicals Limited |
| | | Kotak Ginning & Pressing Industries Private Limited |
| | | Kotak Trustee Company Private Limited |
| | | Puma Properties Private Limited |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

The following are transactions and closing balances of related parties in the ordinary course of business:

| Sr No | Party Name | FY 18-19 | | | | FY 17-18 | | | | | |
|---------------------------------|---|-----------------|---------------------|--------------------------|---|---|-----------------|---------------------|--------------------------|--|---|
| | | Holding Company | Fellow Subsidiaries | KMP/ Significant Control | Enterprises over which Individual Significant influence | Individual having Significant influence | Holding Company | Fellow Subsidiaries | KMP/ Significant Control | Enterprises over which Individual having Significant influence | Individual having Significant influence |
| Assets | | | | | | | | | | | |
| Bank Balance | Kotak Mahindra Bank Ltd. | 70,101 | - | - | - | 88,923 | - | - | - | - | - |
| Commission Paid in Advance | Kotak Mahindra Bank Ltd. | 283 | - | - | - | 407 | - | - | - | - | - |
| | Kotak Mahindra Prime Limited | - | - | - | - | - | 44 | - | - | - | - |
| Outstanding Receivables | Kotak Mahindra Life Insurance Co. Limited, | - | 202 | - | - | - | - | - | - | - | - |
| Prepaid Expenses | Kotak Mahindra Life Insurance Co. Limited | - | 11 | - | - | - | 11 | - | - | - | - |
| Investment in Bonds | Kotak Mahindra Prime Limited | - | - | - | - | - | 100,000 | - | - | - | - |
| Int Accrued - Bonds/ Debentures | Kotak Mahindra Prime Limited | - | - | - | - | - | 3,802 | - | - | - | - |
| Liability | | | | | | | | | | | |
| Commission Payable | Kotak Mahindra Bank Ltd. | 9,890 | - | - | - | 8,278 | - | - | - | - | - |
| | Kotak Mahindra Prime Limited | - | 892 | - | - | - | 961 | - | - | - | - |
| Outstanding Payables | Kotak Mahindra Bank Ltd. | 6,578 | - | - | - | 1,688 | - | - | - | - | - |
| | Kotak Mahindra Life Insurance Co. Limited | - | 203 | - | - | - | 84 | - | - | - | - |
| | Kotak Mahindra Prime Limited | - | 30 | - | - | - | 201 | - | - | - | - |
| Premium Deposits | Kotak Investment Advisors Limited | - | 0.007 | - | - | - | 120 | - | - | - | - |
| | Kotak Mahindra Asset Management Company Limited | - | 0.11 | - | - | - | 0.11 | - | - | - | - |
| | Kotak Mahindra Bank Limited. | 13,682 | - | - | - | 11,868 | - | - | - | - | - |
| | Kotak Mahindra Investment Limited | - | 0.003 | - | - | - | 0.003 | - | - | - | - |
| | Kotak Mahindra Prime Limited | - | 1,235 | - | - | - | 1,962 | - | - | - | - |
| | BSS Microfinance Limited | - | 695 | - | - | - | - | - | - | - | - |
| | Kotak Mahindra Capital Company Limited | - | 0.005 | - | - | - | - | - | - | - | - |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

| Sr No | Party Name | FY 18-19 | | | | FY 17-18 | | | | |
|---|---|-----------------|---------------------|--------------------------|---|---|-----------------|---------------------|--------------------------|---|
| | | Holding Company | Fellow Subsidiaries | KMP/ Significant Control | Enterprises over which Individual Significant influence | Individual having Significant influence | Holding Company | Fellow Subsidiaries | KMP/ Significant Control | Enterprises over which Individual Significant influence |
| | Kotak Securities Limited | - | 34 | - | - | - | 34 | - | - | - |
| | Phoneix ARC Private Limited | - | - | - | - | - | - | - | - | 0.65 |
| | Uday S Kotak. Along with relatives | - | - | - | 40 | - | - | - | - | - |
| Premium Received in Advance | Kotak Mahindra Bank Limited | 1,576 | - | - | - | 5 | - | - | - | - |
| | Kotak Mahindra Investment Limited | - | 68 | - | - | - | - | - | - | - |
| | Kotak Mahindra Asset Management Company Limited | - | 24 | - | - | - | - | - | - | - |
| | Kotak Mahindra Life Insurance Co. Limited. | - | 235 | - | - | - | - | - | - | - |
| | Kotak Mahindra Capital Company Limited | - | 24 | - | - | - | - | - | - | - |
| | Kotak Mahindra Prime Limited | - | 65 | - | - | - | - | - | - | - |
| | Infina Finance Private Limited | - | - | - | 17 | - | - | - | - | - |
| | Kotak Securities Limited | - | 364 | - | - | - | 187 | - | - | - |
| | Kotak Commodities Services Private Limited | - | - | - | 14 | - | - | - | - | - |
| | Kotak Investment Advisors Limited | - | 61 | - | - | - | 42 | - | - | - |
| Transfer of Employee Liability from Group Companies | Kotak Mahindra Bank Limited | 1,087 | - | - | - | 548 | - | - | - | - |
| | Kotak Mahindra Prime Limited | - | 15 | - | - | - | - | - | - | - |
| Transactions during the year | | | | | | | | | | |
| Claims Paid | Kotak Mahindra Asset Management Company Limited | - | 499 | - | - | - | 38 | - | - | - |
| | Kotak Mahindra Bank Limited. | 9,546 | - | - | - | 2,435 | - | - | - | - |
| | Kotak Mahindra Prime Limited | - | 129 | - | - | - | - | - | - | - |
| | Kotak Securities Limited | - | 1,659 | - | - | - | 221 | - | - | - |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

| Sr No | Party Name | FY 18-19 | | | | | FY 17-18 | | | | |
|----------------------------|---|-----------------|---------------------|--------------------------|---|---|-----------------|---------------------|--------------------------|---|---|
| | | Holding Company | Fellow Subsidiaries | KMP/ Significant Control | Enterprises over which Individual Significant influence | Individual having Significant influence | Holding Company | Fellow Subsidiaries | KMP/ Significant Control | Enterprises over which Individual Significant influence | Individual having Significant influence |
| | Kotak Mahindra Life Insurance Co Limited | - | 334 | - | - | - | - | - | - | - | |
| | Kotak Mahindra Investment Limited | - | 83 | - | - | - | - | - | - | - | |
| | Kotak Investment Advisors Limited | - | 129 | - | - | - | 73 | - | - | - | |
| | BSS Microfinance Limited | - | 207 | - | - | - | - | - | - | - | |
| | Mahesh Balasubramanian | - | - | 12 | - | - | - | - | - | - | |
| | Infina Finance Private Limited | - | - | - | 41 | - | - | - | - | - | |
| | Uday S Kotak. Along with relatives | - | - | - | - | 101 | - | - | - | - | |
| | Kotak Mahindra Capital Company Limited | - | 511 | - | - | - | 108 | - | - | - | |
| Commission Paid | Kotak Mahindra Bank Limited | 130,663 | - | - | - | - | 91,961 | - | - | - | |
| | Kotak Mahindra Prime Limited | - | 11,059 | - | - | - | 10,708 | - | - | - | |
| Employee Insurance Premium | Kotak Mahindra Life Insurance Co Limited | - | 484 | - | - | - | 305 | - | - | - | |
| Interest Income | Kotak Mahindra Prime Limited | - | 1,685 | - | - | - | 3,440 | - | - | - | |
| Interest Paid | Kotak Mahindra Asset Management Company Limited | - | - | - | - | - | 0.09 | - | - | - | |
| Equity Shares | Kotak Mahindra Bank Limited | 450,000 | - | - | - | - | 4,00,000 | - | - | - | |
| Premium Income | Kotak Investment Advisors Limited | - | 589 | - | - | - | 691 | - | - | - | |
| | Kotak Mahindra Asset Management Company Limited | - | 902 | - | - | - | 769 | - | - | - | |
| | Kotak Mahindra Bank Limited | 19,591 | - | - | - | - | 28,403 | - | - | - | |
| | Kotak Mahindra Capital Company Limited | - | 849 | - | - | - | 328 | - | - | - | |
| | Kotak Mahindra Investment Limited | - | 564 | - | - | - | 304 | - | - | - | |

Schedules forming part of Balance Sheet and Profit and Loss Account

| Sr No | Party Name | FY 18-19 | | | | FY 17-18 | | | | |
|------------------------------------|--|-----------------|---------------------|--------------------------|---|---|-----------------|---------------------|--------------------------|---|
| | | Holding Company | Fellow Subsidiaries | KMP/ Significant Control | Enterprises over which having Significant influence | Individual having significant influence | Holding Company | Fellow Subsidiaries | KMP/ Significant Control | Enterprises over which having Significant influence |
| | Kotak Mahindra Life Insurance Co Limited | - | 1,645 | - | - | - | - | - | - | - |
| | Kotak Mahindra Pension Fund Limited | - | 12 | - | - | - | 14 | - | - | - |
| | Kotak Mahindra Prime Limited | - | 1,219 | - | - | - | 1,511 | - | - | - |
| | Kotak Mahindra Trusteeship Services Limited | - | 25 | - | - | - | 29 | - | - | - |
| | Kotak Commodities Services Private Limited | - | - | - | 192 | - | - | - | 220 | - |
| | Infina Finance Private Limited | - | - | - | 160 | - | - | - | 67 | - |
| | Uday S Kotak Along with relatives | - | - | - | - | 121 | - | - | - | 389 |
| | Kotak Securities Limited | - | 3,893 | - | - | - | 3,575 | - | - | - |
| | Phoenix ARC Private Limited | - | - | - | 166 | - | - | - | 235 | - |
| | Harisiddha Trading and Finance Private Limited | - | - | - | - | - | - | - | 5 | - |
| | Palko Properties Private Limited | - | - | - | - | - | - | - | 5 | - |
| | Mahesh Balasubramanian | - | - | 53 | - | - | - | 51 | - | - |
| | Relative of Mahesh Balasubramanian | - | - | 4 | - | - | - | 5 | - | - |
| | Kotak Infrastructure Debt Fund Limited | - | 19 | - | - | - | - | - | - | - |
| | BSS Microfinance Limited | - | 3,550 | - | - | - | - | - | - | - |
| Reimbursement From Group Companies | Kotak Mahindra Life Insurance Co Limited | - | 527 | - | - | - | - | - | - | - |
| | Kotak Mahindra Life Insurance Co Limited | - | 871 | - | - | - | - | - | - | - |
| Bank Charges | Kotak Mahindra Bank Limited | 402 | - | - | - | 216 | - | - | - | - |

Schedules

forming part of Balance Sheet and Profit and Loss Account

| Sr No | Party Name | FY 18-19 | | | | | FY 17-18 | | | | |
|---|--|-----------------|---------------------|--------------------------|---|---|-----------------|---------------------|--------------------------|---|---|
| | | Holding Company | Fellow Subsidiaries | KMP/ Significant Control | Enterprises over which Individual Significant influence | Individual having Significant influence | Holding Company | Fellow Subsidiaries | KMP/ Significant Control | Enterprises over which Individual Significant influence | Individual having Significant influence |
| Reimbursement to Group Companies | Kotak Mahindra Prime Limited | - | 330 | - | - | - | 186 | - | - | - | |
| | Kotak Securities Limited | - | 150 | - | - | - | - | - | - | - | |
| | Kotak Mahindra Life Insurance Co Limited | - | 1,475 | - | - | - | 974 | - | - | - | |
| Rent Premises Expenses | Kotak Mahindra Bank Limited | 47,691 | - | - | - | 43,228 | - | - | - | - | |
| | Kotak Mahindra Prime Limited | - | 184 | - | - | - | 153 | - | - | - | |
| | Kotak Mahindra Life Insurance Co Limited | - | 1,226 | - | - | - | 1,487 | - | - | - | |
| Remuneration of Key Management Personnel | Mahesh Balasubramanian | - | - | 27,921 | - | - | - | 24,758 | - | - | |
| | Kotak Mahindra Bank Limited | 1,087 | - | - | - | 548 | - | - | - | - | |
| Transfer of Employee Liability from Group Companies | Kotak Mahindra Prime Limited | - | 15 | - | - | - | - | - | - | - | |
| | | | | | | | | | | | |

Schedules forming part of Balance Sheet and Profit and Loss Account

15. EMPLOYEE BENEFIT PLANS:

Defined Contribution Plan:

| SL No | Particulars | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|-------|-------------------------|-------------------------------|-------------------------------|
| 1 | Provident Fund | 19,414 | 14,427 |
| 2 | National Pension Scheme | 1,485 | 1269 |

Defined Benefit Plan:

Gratuity

The company has a defined gratuity plan payable to every employee on separation from the company. The gratuity plan provides a lumpsum payment to vested employees at retirement or on termination of employment based on respective employee's salary and years of employment with the Group subject to a maximum of ₹2,000 (Previous year: ₹ 2,000)

Disclosures as required under accounting standard AS-15 on Employee Benefits are given below:

Amount to be recognized in Balance Sheet:-

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---|------------------|------------------|
| Amount to be Recognized in Balance Sheet | | |
| Present Value of Funded Obligations | Nil | Nil |
| Fair Value of Plan Assets | Nil | Nil |
| Present Value of Unfunded Obligations | 22,042 | 13,587 |
| Unrecognized Past Service Cost | Nil | Nil |
| Amount not Recognized as an Asset (limit in Para 59(b)) | Nil | Nil |
| Net Liability | 22,042 | 13,587 |
| Amounts in Balance Sheet | | |
| Liability | 22,042 | 13,587 |
| Assets | Nil | Nil |
| Net Liability is bifurcated as follows: | | |
| Current | 2,239 | 1,269 |
| Non Current | 19,803 | 12,318 |
| Net Liability | 22,042 | 13,587 |
| Expense To Be Recognized in the Statement of P&L | | |
| Current Service Cost | 3,806 | 3,565 |
| Interest on Defined Benefit Obligation | 1,324 | 683 |
| Expected Return on Plan Assets | Nil | Nil |
| Net Actuarial Losses / (Gains) Recognized in Year | 3,774 | 624 |
| Past Service Cost | Nil | 2,317 |
| Losses / (Gains) on "Curtailements & Settlements" | Nil | Nil |
| Losses / (Gains) on "Acquisition / Divestiture" | Nil | Nil |
| Effect of the limit in Para 59(b) | Nil | Nil |
| Total, Included in "Employee Benefit Expense" | 8,904 | 7,189 |
| Actual Return on Plan Assets | Nil | Nil |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---|---------------------|---------------------|
| Reconciliation of Benefit Obligations & Plan Assets For the Period | | |
| Change in Defined Benefit Obligation | | |
| Opening Defined Benefit Obligation | 13,587 | 5,992 |
| Current Service Cost | 3,806 | 3,565 |
| Interest Cost | 1,324 | 683 |
| Actuarial Losses / (Gain) | 3,774 | 624 |
| Past Service Cost | Nil | 2,317 |
| Actuarial Losses / (Gain) due to Curtailment | Nil | Nil |
| Liabilities Extinguished on Settlements | Nil | Nil |
| Liabilities Assumed on Acquisition / (Settled on Divestiture) | 455 | 463 |
| Exchange Difference on Foreign Plans | Nil | Nil |
| Benefits Paid | (906) | (57) |
| Closing Defined Benefit Obligation | 22,042 | 13,587 |
| Change in Fair Value of Assets | | |
| Opening Fair Value of Plan Assets | Nil | Nil |
| Expected Return on Plan Assets | Nil | Nil |
| Actuarial Gain / (Losses) | Nil | Nil |
| Assets Distributed on Settlements | Nil | Nil |
| Contributions by Employer | 906 | 57 |
| Assets Acquired on Acquisition / (Distributed on Divestiture) | Nil | Nil |
| Exchange Difference on Foreign Plans | Nil | Nil |
| Benefits Paid | (906) | (57) |
| Closing Fair Value of Plan Assets | Nil | Nil |
| Expected Employer's Contribution Next Year | 2,239 | 1,269 |

Experience Adjustments:-

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|-------------------------------|---------------------|---------------------|
| Defined Benefit Obligation | 22,042 | 13,587 |
| Plan Assets | Nil | Nil |
| Surplus / (Deficit) | (22042) | (13,587) |
| Exp. Adj. on Plan Liabilities | 2,616 | 2,046 |
| Exp. Adj. on Plan Assets | 0 | 0 |

Summary of Principal Actuarial Assumptions:-

| Particulars | As at 31.03.2019 | As at 3 1.03.2018 |
|--|---------------------|----------------------|
| Discount Rate (p.a.) | 7.15% | 7.90% |
| Expected Rate of Return on Assets (p.a.) | 0.00% | 0.00% |
| Salary Escalation Rate (p.a.) | 7.00% | 7.00% |

Schedules forming part of Balance Sheet and Profit and Loss Account

Leave Encashment:

The company has a scheme of compensated absences where leaves are accruing for employees and liability of which are determined actuarially as at the year end.

The break-up of the Defined Benefit Obligation (which equals to net liability assuming this liability is not externally funded) between current & non-current is as follows:-

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---------------|---------------------|---------------------|
| Net Liability | 9,852 | 1,913 |

Financial Assumptions at the Valuation Date:-

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|-------------------------------|---------------------|---------------------|
| Discount Rate (p.a.) | 7.15% | 7.90% |
| Salary Escalation Rate (p.a.) | 7.00% | 7.00% |

16. SEGMENTAL REPORTING:

The company's primary reportable segments are business segments which have been identified in accordance with the regulations and AS – 17 Segment Reporting. Operating Expenses & Income from Investments are allocated to business segments as mentioned in para 1K & 1L of schedule Segments revenue and segment results are shown in financial statements. Segmental assets and liabilities are disclosed to the extent identifiable:

| Period | Products | Claims Outstanding | Reserve for Unexpired Risk |
|-------------------------|-------------------------|-----------------------|----------------------------------|
| | As at 31.03.2019 | Motor | 1,296,747 |
| | Health | 45,375 | 390,359 |
| | PA | 9,777 | 42,065 |
| | Fire | 26,672 | 71,575 |
| | Engg | 140 | 2,200 |
| | Others | 3,009 | 103,257 |
| | Workmen Compensation | 930 | 1,248 |
| | Total | 1,382,650 | 1,639,695 |
| As at 31.03.2018 | Motor | 641,089 | 709,975 |
| | Health | 24,866 | 164,443 |
| | PA | 9,312 | 15,176 |
| | Fire | 6,197 | 27,951 |
| | Engg | - | 1498 |
| | Others | 1,328 | 22,747 |
| | Total | 682,792 | 941,790 |

Schedules

 forming part of Balance Sheet and Profit and Loss Account

17 EARNINGS PER SHARE:

| SL No | Particulars | As at 31.03.2019 | As at 31.03.2018 |
|-------|--|---------------------|---------------------|
| 1 | Net Profit/(Loss) available to Equity Shareholders | (348,994) | (325,495) |
| 2 | Weighted Average Number of Equity Shares:- | | |
| | Number of Shares at the beginning of the year | 17,50,00,000 | 13,50,00,000 |
| | Shares issued during the year | 4,50,00,000 | 4,00,00,000 |
| | Number of Shares at the end of the year | 22,00,00,000 | 17,50,00,000 |
| | Weighted Average Number of Equity Shares outstanding during the year | 21,55,61,644 | 17,14,93,151 |
| 3 | Nominal Value of Equity Shares | ₹ 10 | ₹ 10 |
| 4 | Basic Earnings Per Share | (1.62) | (1.90) |
| 5 | Diluted Earnings Per Share | (1.62) | (1.90) |

There were no dilutive equity shares or potential equity shares issued and so weighted average number of equity shares is similar to calculate both basic earnings per share and diluted earnings per share.

18 PENALTIES LEVIED BY VARIOUS GOVERNMENT AUTHORITIES DURING FINANCIAL YEAR 2018-19:

| Sr No. | Particulars | Non Compliance / Violation | Penalty Awarded | Penalty Paid | Penalty Waived / Reduced |
|--------|--|----------------------------|-----------------|--------------|--------------------------|
| 1 | Insurance Regulatory and Development Authority | Nil | Nil | Nil | Nil |
| 2 | GST/Service Tax Authorities - | Nil | Nil | Nil | Nil |
| 3 | Income Tax Authorities - | Nil | Nil | Nil | Nil |
| 4 | Any other Tax Authorities | Nil | Nil | Nil | Nil |
| 5 | Enforcement Directorate/Adjudicating Authority/ Tribunal or any Authority under FEMA | Nil | Nil | Nil | Nil |
| 6 | Registrar of Companies/ NCLT/CLB/Department of Corporate Affairs or any Authority under Companies Act, 2013/1956 | 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 | NA | NA | NA | Nil |
| 9 | Competition Commission of India | Nil | Nil | Nil | Nil |
| 10 | Any other Central/State/Local Govt/Statutory Authority (Tariff Advisory Committee) | Nil | Nil | Nil | Nil |

19 CONTRIBUTION TO SOLATIUM FUND

The IRDA had asked the General Insurance Council ("the Council") to recommend the percentage of contribution to be made to a Solatium Fund and matters relating to the administration of the Fund. The Council recommended contribution of 0.10% of the all third party motor gross written premium as solatium fund to the administrator. Accordingly the company has provided ₹963 (Previous Year ₹ 594) towards solatium fund during the year which is charged to revenue account and also disclosed under current liabilities.

20 MICRO AND SMALL SCALE BUSINESS ENTITIES:

According to the information available with the Company there are dues of ₹ 800 (Previous Year Nil) payable to Micro, Small and Medium enterprises as defined under Micro, Small and Medium Enterprises Development, 2006 as at March 31, 2019.

Schedules forming part of Balance Sheet and Profit and Loss Account

21 EMPLOYEE SHARE OPTION PLANS (ESOP) & STOCK APPRECIATION RIGHTS (SARs): Employee share option plans (ESOP)

Equity Settled Options

At the General Meetings of the holding company, Kotak Mahindra Bank Limited, the shareholders of the Bank had unanimously passed Special Resolutions on 5th July 2007, 21st August 2007 and 29th June 2015, to grant options to the eligible employees of the Bank and its subsidiaries and associate companies. Pursuant to these resolutions, the following Employees Stock Option Schemes had been formulated and adopted:

- (a) Kotak Mahindra Equity Option Scheme 2007; and
- (b) Kotak Mahindra Equity Option Scheme 2015

Further, pursuant to the Scheme of Amalgamation of ING Vysya Bank (IVBL) with the Bank, the Bank has renamed and adopted the ESOP Schemes of the erstwhile IVBL, as given below:

- (a) Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2007
- (b) Kotak Mahindra Bank Ltd. (IVBL) Employee Stock Option Scheme 2010; and
- (c) Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2013

Consequent to the above, the Bank has granted stock options to employees of the Company. In accordance with the SEBI Guidelines and the guidance note on "Accounting for Employee Share based payments", the excess, if any, of the market price of the share, preceding the date of grant of the option under ESOSs over the exercise price of the option is amortised on a straight-line basis over the vesting period. The Company has reimbursed the Bank 'NIL' (Previous Year 'NIL' during the year on account of such costs and the same is forming part of Employee costs and included under the head "Reimbursement of expense on ESOP Scheme" under Schedule 4 Employees Remuneration and Welfare Benefit Expenses

Stock Appreciation rights (SARs)

At the General Meeting of the holding company, Kotak Mahindra Bank Limited, the shareholders of the Bank had unanimously passed Special Resolution on 29th June, 2015 to grant stock appreciation rights (SARs) to the eligible employees of the Bank, its subsidiaries and associate companies. Pursuant to this resolution, Kotak Mahindra Stock Appreciation Rights Scheme 2015 has been formulated and adopted. Subsequently, the SARs have been granted under this scheme and the existing SARs will continue. The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 1.20 to 3.67 years.

Detail of activity under SARs plan is summarized below:

| Particulars | No. of SARs | |
|--|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| Outstanding at the beginning of the year | 15,643 | 15,250 |
| Granted during the year | 6,580 | 7,770 |
| Additions/Reduction due to transfer of employees | | |
| Exercised during the year | (7,104) | (7,377) |
| Expired during the year | | |
| Outstanding at the end of the year | 15,119 | 15,643 |

Effect of grant of SARs to employees on the statement of profit and loss and on its financial position

| Particulars | | |
|---|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| Employee Compensation | 11,526 | 8,150 |
| Closing balance of liability for cash-settled options | 11,923 | 9,443 |

Had the Company recorded the compensation cost computed on the basis of fair valuation method instead of intrinsic value method, employee compensation cost would have been higher by ₹16,393 (Previous Year 13,174) and the Loss after tax would have been higher by ₹16,393 (Previous year 13,174). Consequently the basic and diluted EPS would have been lower by ₹ 0.08 (Previous year 0.07).

Schedules

 forming part of Balance Sheet and Profit and Loss Account

22 PROVISION FOR FREE LOOK PERIOD:

The provision for free look period is NIL and it is duly certified by the Appointed Actuary.

23 ACCOUNTING RATIOS ARE GIVEN IN ANNEXURE 1.

24 SUMMARY OF FINANCIAL STATEMENT IS PROVIDE IN ANNEXURE 2.

25 STATEMENT SHOWING AGE-WISE ANALYSIS OF THE UNCLAIMED AMOUNT:

Schedule-I (FORM A)

Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders as on

₹ In "000"

| Particulars | Total Amount | AGE-WISE ANALYSIS | | | | | | |
|--|-----------------|-------------------|----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | | 0-6 months | 7-12 months | 13-18 months | 19-24 months | 25-30 months | 31-36 months | 36-120 months |
| Claims settled but not paid to the policyholders/beneficiaries due to any reasons except under litigation from the policyholders/ beneficiaries | 97.66 | 97.66 | | | | | | |
| Sum due to the policyholders/ beneficiaries on maturity or otherwise | - | - | - | - | - | - | - | - |
| Any excess collection of the premium/tax or any other charges which is refundable to the policyholders/ beneficiaries either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far | 637.46 | 411.66 | 122.40 | 48.96 | 34.42 | 12.03 | 7.99 | - |
| Cheques issued but not encashed by the policyholder/beneficiaries | | | | | | | | |
| Total | 735.12 | 509.31 | 122.40 | 48.96 | 34.42 | 12.03 | 7.99 | - |

FORM C

Details of Unclaimed Amount and Investment Income

₹ In "000"

| Particulars | FY 2018-19 | FY 2017-18 |
|--|------------|------------|
| Opening Balance | 627.22 | 248.29 |
| Add: Amount transferred to Unclaimed Fund | 3,277.27 | 4,830.96 |
| Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale) | - | - |
| Add: Investment Income on Unclaimed Fund | 52.00 | 56.57 |
| Less: Amount of claims paid during the year | 3,222.00 | 4,508.60 |
| Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier) | - | - |
| Closing Balance of Unclaimed Amount Fund | 735.00 | 627.22 |

26 TAXATION

The company has unabsorbed depreciation and carry forward of losses under tax laws. However deferred tax assets has not been recognized in financial statement as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

27 FOREIGN EXCHANGE

Expenditure in Foreign Currency (on cash basis) in current year: ₹148 (Previous Year: ₹ 129)

28 DISCLOSURE OF CERTAIN EXPENSES

As required under Circular no 067/IRDA/F&A/CIR/MAR -08 dated March 28, 2008, outsourced services include payments made for various outsourced services amounting to ₹79,816 (Previous Year: 74,764)

29 DISCLOSURE OF OTHER WORKS GIVEN TO AUDITORS

Pursuant to clause 7.1 (g) of Corporate Governance Guidelines issued by IRDA on August 5, 2009 the remuneration paid to Auditors for services other than statutory / concurrent / internal audit are disclosed below:

| Name | Particulars | Nature | 2019 | 2018 |
|---------------|--------------------|--------------------|------|------|
| V.C Shah & Co | Statutory Auditors | Certification work | 40 | 42 |
| V.C Shah & Co | Statutory Auditors | Tax Audit | 275 | 25 |

- 30.** The premium received on the third party insurance cover for new motor and two wheeler policies under Long Terms product is recognized as per the IRDA Circular.
- 31.** With regard to a recent Supreme Court (SC) judgment on PF there are various interpretative issues including applicability. The company has based on a legal opinion taken the view that the judgment will be applicable from March 2019.
- 32.** Prior year figures have been regrouped, reclassified in the respective schedule and notes wherever considered necessary.

As per our report of even date

For K.S.Aiyar & Co.

Chartered Accountants
Firm Registration No.: 100186W

Rajesh S Joshi

Partner
M. No :38526

For V.C.Shah & Co.

Chartered Accountants
Firm Registration No.: 109818W

V.C.Shah

Partner
M. No :10360

For and on behalf of the Board of Directors

of Kotak Mahindra General Insurance Company Limited

Gaurang Shah

Director
DIN : 00016660

Mahesh Balasubramanian

Managing Director and CEO
DIN: 02089182

Krishnan Gopalakrishnan

Chief Compliance Officer and Company Secretary

Virat Diwanji

Director
DIN : 07021146

Yash Kotak

Chief Financial Officer

Mumbai
Dated: April 24, 2019

ANALYTICAL RATIOS FOR THE YEAR ENDED 31ST MARCH 2019 ANNEXURE - 1

| Particular | Total | | | Fire | | | Marine | | | Miscellaneous | | | | | | | | | |
|---|----------|----------|-------------|----------|----------|-------------|------------------------|------------------|-------------|---------------|-------------------|------------------|--------------|--------|---------------------|--|--|--|--|
| | Motor OD | Motor TP | Motor Total | Motor OD | Motor TP | Motor Total | Workmen's Compensation | Public Liability | Engineering | Aviation | Personal Accident | Health Insurance | Trade Credit | Others | Miscellaneous Total | | | | |
| Gross Direct Premium Growth Rate | 0.27 | 0.62 | 0.42 | NA | 0.99 | 0.62 | NA | NA | NA | NA | 1.11 | 1.40 | NA | 0.99 | 0.61 | | | | |
| Gross Direct Premium to Net Worth ratio | - | - | - | - | 2.79 | - | - | - | - | - | - | - | - | - | - | | | | |
| Growth rate of Net Worth | - | - | - | - | 10% | - | - | - | - | - | - | - | - | - | - | | | | |
| Net Retention Ratio | 94% | 94% | 94% | NA | 51% | 94% | 94% | NA | 58% | NA | 40% | 94% | NA | 79% | 90% | | | | |
| Net Commission Ratio | 17% | 0% | 9% | NA | 5% | 0% | 15% | NA | -3% | NA | -63% | 10% | NA | 17% | 8% | | | | |
| Expense of Management to Gross Direct Premium Ratio | - | - | - | - | 44% | - | - | - | - | - | - | - | - | - | - | | | | |
| Expense of Management to Net Premium Ratio | - | - | - | - | 49% | - | - | - | - | - | - | - | - | - | - | | | | |
| Net Incurred Claims to Net Earned Premium | - | - | - | - | 68% | - | - | - | - | - | - | - | - | - | - | | | | |
| Combined Ratio | - | - | - | - | 115% | - | - | - | - | - | - | - | - | - | - | | | | |
| Technical Reserves to net premium ratio | - | - | - | - | 1.13 | - | - | - | - | - | - | - | - | - | - | | | | |
| Underwriting balance ratio | (0.19) | (0.48) | (0.32) | NA | (0.31) | (0.43) | (0.48) | NA | 0.76 | NA | 1.13 | (0.27) | NA | (9.78) | (0.31) | | | | |
| Operating Profit Ratio | - | - | - | - | -21% | - | - | - | - | - | - | - | - | - | - | | | | |
| Liquid Assets to liabilities ratio | - | - | - | - | 0.24 | - | - | - | - | - | - | - | - | - | - | | | | |
| Net earning ratio | - | - | - | - | -13% | - | - | - | - | - | - | - | - | - | - | | | | |
| Return on Net Worth Ratio | - | - | - | - | -32% | - | - | - | - | - | - | - | - | - | - | | | | |
| Available Solvency Margin Ratio to Required Solvency Margin Ratio | - | - | - | - | 1.86 | - | - | - | - | - | - | - | - | - | - | | | | |
| NPA Ratio | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | |
| Gross NPA Ratio | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | |
| Net NPA Ratio | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | |

ANALYTICAL RATIOS FOR THE YEAR ENDED 31ST MARCH 2018 ANNEXURE - 1

| Particular | Miscellaneous | | | | | | | | | | Miscellaneous Total | | | | |
|---|---------------|---------|--------|----------|----------|-------------|------------------------|------------------|-------------|----------|---------------------|-------------------|------------------|--------------|--------|
| | Total | Fire | Marine | Motor OD | Motor TP | Motor Total | Workmen's Compensation | Public Liability | Engineering | Aviation | | Personal Accident | Health Insurance | Trade Credit | Others |
| Gross Direct Premium Growth Rate | 1.26 | 7.79 | NA | 0.81 | 1.41 | 1.02 | NA | NA | NA | NA | 1.59 | 1.68 | NA | 1034 | 1.18 |
| Gross Direct Premium to Net Worth ratio | 1.90 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Growth rate of Net Worth | 8% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Retention Ratio | 87% | 42% | NA | 93% | 93% | 93% | NA | NA | 88% | NA | 36% | 95% | NA | 37% | 89% |
| Net Commission Ratio | 8% | (0.19%) | NA | 16% | -0.3% | 9% | NA | NA | 1% | NA | -91% | 14% | NA | 12% | 8% |
| Expense of Management to Gross Direct Premium Ratio | 47% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Expense of Management to Net Premium Ratio | 53% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Incurred Claims to Net Earned Premium | 72% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Combined Ratio | 122% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Technical Reserves to net premium ratio | 1.00 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Underwriting balance ratio | -0.43 | 0.05 | NA | -0.30 | -0.67 | -0.44 | NA | NA | 0.95 | NA | 0.75 | -0.50 | NA | 6.16 | -0.44 |
| Operating Profit Ratio | -34% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Liquid Assets to liabilities ratio | 0.14 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net earning ratio | -20% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Return on Net Worth Ratio | -33% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Available Solvency Margin Ratio to Required Solvency Margin Ratio | 1.88 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| NPA Ratio | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Gross NPA Ratio | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net NPA Ratio | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

ANNEXURE – 2

| No | Particulars | FY 18-19 | FY 17-18 | FY 16-17 | FY 15-16 |
|-----------------------------|--|---|---|---|---|
| OPERATING RESULTS | | | | | |
| 1 | Gross Direct Premiums | 30,110.99 | 18,539.15 | 8,205.29 | 370.89 |
| 2 | Net Earned Premium # | 19,735.47 | 11,587.48 | 3,285.72 | 6.05 |
| 3 | Income from investments (net) @ | 1,967.24 | 1,017.62 | 355.29 | 16.62 |
| 4 | Other income (Pl. specify) | (8.57) | (5.25) | (2.32) | 0.57 |
| 5 | Total income | 21,694.14 | 12,599.85 | 3,638.69 | 23.24 |
| 6 | Commissions (Net) (Including Brokerage | 1,992.46 | 1,340.93 | 368.55 | 21.00 |
| 7 | Operating Expenses | 10,453.39 | 6,882.96 | 5,271.82 | 1,586.64 |
| 8 | Net Incurred Claims | 13,432.00 | 8,303.05 | 2,401.45 | 21.03 |
| 9 | Change in Unexpired Risk Reserve | 6,979.05 | 4,706.57 | 4,387.10 | 324.26 |
| 10 | Operating Profit/loss | (4,183.71) | (3,927.09) | (4,403.12) | (1,605.44) |
| NON-OPERATING RESULT | | | | | |
| 11 | Total income under shareholders' account | 693.77 | 672.14 | 930.75 | 632.53 |
| 12 | Profit/ (loss) before tax | (3,489.94) | (3,254.95) | (3,472.36) | (972.91) |
| 13 | Provision for tax | - | - | - | - |
| 14 | Profit / (loss) after tax | (3,489.94) | (3,254.95) | (3,472.36) | (972.91) |
| MISCELLANEOUS | | | | | |
| 15 | Policy holders' Account: | | | | |
| | Total funds | Not applicable for General insurance Co | Not applicable for General insurance Co | Not applicable for General Insurance Co | Not applicable for General Insurance Co |
| | Total Investments | | | | |
| | Yield on investments | | | | |
| 16 | Shareholders' Account: | | | | |
| | Total funds | Not applicable for General insurance Co | Not applicable for General Insurance Co | Not applicable for General Insurance Co | Not applicable for General Insurance Co |
| | Total Investments | | | | |
| | Yield on investments | | | | |
| 17 | Paid up equity capital | 22,000 | 17,500 | 13,500 | 13,500 |
| 18 | Net worth | 10,783 | 9,773 | 9,028 | 12,500 |
| 19 | Total assets | 46,794 | 29,035 | 17,375 | 13,857 |
| 20 | Yield on total investments | 7.99% | 8.19% | 10.47% | 8.20% |
| 21 | Earnings per share (₹) | (1.62) | (1.90) | (2.57) | (1.18) |
| 22 | Book Value per share (₹) | 5.00 | 5.70 | 6.69 | 15.21 |
| 23 | Total Dividend | - | - | - | - |
| 24 | Dividend per share (₹) | - | - | - | - |

Net of reinsurance

@ Net of losses

Points 15&16 may be given separately, if it is feasible.

*1st year means the most recent concluded financial year.

Management Report

As per provisions of Part IV of Schedule B of The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002 the following Management Report for the year ended March 31, 2019 is submitted:

1. The company obtained and hold certificate of registration from Insurance Regulatory and Development Authority of India on November 18, 2015 to start general insurance business.
2. We hereby certify that all the dues payable to the statutory authorities have been duly paid by the company except those under dispute or disclosed under contingent liability in the notes to account forming part of financials.
3. We hereby confirm that the shareholding pattern and transfer of shares during the year ended 31st March 2019 are in accordance with the statutory or regulatory requirements.
4. We declare that the management has not directly or indirectly invested outside India the funds of the holders of policies issued in India.
5. We hereby confirm that the required solvency margins have been maintained throughout the year.
6. We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and to the best of our belief the assets set forth in the Balance-sheets are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings – “Loans”, “Investments”, “Agents balances”, “Outstanding Premiums”, “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” except debt securities which are valued at cost/amortized cost.
7. The Company is exposed to a variety of risks associated with general insurance business such underwriting risk (quality and price at which risk are underwritten), reserve risk (risk of adverse development), assets risk (credit risk, market risk, liquidity risk, etc.) and expense risk (higher than planned expenses). Some of the risk beyond Company's risk appetite are transferred and managed through an appropriate reinsurance program, thereby ensuring that the risk exposure is kept at a level commensurate with its capacity. The key business risk, as mentioned above, are closely monitored and effective remedial actions are taken whenever deemed necessary.
8. We confirm that the company does not have any operations outside India.
9.
 - a) Please refer annexure 1 for age wise analysis of claims outstanding
 - b) Please refer annexure 2 for average claims settlement time
 - c) Please refer annexure 3 for details of claims intimated
10. We certify that Investments are recorded at cost and include brokerage, transfer charges, stamps etc, and excludes pre acquisition interest, if any.

Debt securities & non-convertible preference shares are considered as 'held to maturity' and stated at historical cost adjusted for amortization of premium or accretion of discount determined on constant yield to maturity basis over the holding/maturity period.

Mutual fund units are stated at their 'Net Asset Value' as at the balance sheet date. Any unrealized gain/loss will be accounted for under fair value change account.
11. The Company has adopted a prudent investment policy aiming optimum return with minimum risk. The company has invested predominantly in Government Securities and Corporate Securities having highest credit quality rating. The company has a well-diversified portfolio across issuers and Industry segments in Corporate Securities. The investments are managed within the investment policy laid down by the board from time to time and are within the investment regulations and guidelines of IRDAI. There are no non-performing assets as at the end of the financial year.
12. We confirm that:
 - a) In the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;
 - b) The management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the operating profit or loss and of the profit or loss of the company for the year;
 - c) The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938) / Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d) The management has prepared the financial statements on a going concern basis;
- e) The management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.
13. Details of payments made to individuals, firms, companies and organisations in which Directors of the insurers are interested are given below:

| Sr. No | Name of the Directors | Entity in which Director are interested | Interested As | Expense during the financial year (Rs. In lakhs) |
|--------|-----------------------------|---|---------------|--|
| 1 | Gaurang Shah G Murlidhar | Kotak Mahindra Life Insurance Co. Ltd. | Director | 35.19 |

**For and on behalf of the Board of Directors
of Kotak Mahindra General Insurance Company Limited**

Gaurang Shah

Director
DIN : 00016660

Mahesh Balasubramanian
Managing Director and CEO
DIN: 02089182

Virat Diwanji

Director
DIN : 07021146

Yash Kotak
Chief Financial Officer

Krishnan Gopalakrishnan

Chief Compliance Officer and Company Secretary

Mumbai: Mumbai
Dated: April 24, 2019

Annexure – 1
Age wise analysis of claims outstanding:
a. Year 2018-19

| Particulars | 0-30 days | | 30 days - 6 months | | 6 months - 1 year | | 1 year - 5 years | | > 5 years | | Total | |
|-------------------|------------|-------------------|--------------------|--------------------|-------------------|--------------------|------------------|-------------------|-----------|----------|--------------|--------------------|
| | Count | Amount | Count | Amount | Count | Amount | Count | Amount | Count | Amount | Count | Amount |
| Motor TP | 34 | 16,210,000 | 131 | 57,300,000 | 75 | 34,760,250 | 100 | 62,772,673 | - | - | 340 | 171,042,923 |
| Motor OD | 360 | 31,706,438 | 196 | 49,318,832 | 67 | 12,196,979 | 27 | 7,257,770 | - | - | 650 | 100,480,019 |
| Fire | 4 | 985,500 | 15 | 42,838,000 | 51 | 118,025,934 | 13 | 3,890,500 | - | - | 83 | 165,739,934 |
| Others | 5 | 2,711,500 | 1 | 608,715 | 1 | 71,139 | 0 | - | - | - | 7 | 3,391,354 |
| Health | 197 | 15,006,887 | 75 | 10,061,870 | 11 | 720,966 | 1 | 404,842 | - | - | 284 | 26,194,565 |
| Personal Accident | 15 | 3,893,500 | 4 | 3,758,499 | - | - | 0 | - | - | - | 19 | 7,651,999 |
| Total | 615 | 70,513,825 | 422 | 163,885,916 | 205 | 165,775,268 | 141 | 74,325,785 | - | - | 1,383 | 474,500,794 |

b. Year 2017-18

| Particulars | 0-30 days | | 30 days - 6 months | | 6 months - 1 year | | 1 year - 5 years | | > 5 years | | Total | |
|--------------------|------------|-------------------|--------------------|-------------------|-------------------|-------------------|------------------|-------------------|-----------|----------|------------|--------------------|
| | Count | Amount | Count | Amount | Count | Amount | Count | Amount | Count | Amount | Count | Amount |
| Fire | 10 | 9,873,945 | 14 | 2,362,001 | 8 | 3,560,000 | - | - | - | - | 32 | 15,795,946 |
| Motor OD | 343 | 19,056,339 | 201 | 46,829,613 | 28 | 8,918,107 | 5 | 2,639,850 | - | - | 577 | 77,443,909 |
| Motor TP | 18 | 7,221,000 | 40 | 15,650,500 | 50 | 25,475,000 | 23 | 11,995,600 | - | - | 131 | 60,342,100 |
| PA | 7 | 160,000 | 16 | 4,036,000 | - | - | - | - | - | - | 23 | 4,196,000 |
| Health | 111 | 5,497,660 | 32 | 2,241,601 | - | - | - | - | - | - | 143 | 7,739,261 |
| Miscellaneous | - | - | 1 | 386,000 | - | - | - | - | - | - | 1 | 386,000 |
| Grand Total | 489 | 41,808,944 | 304 | 71,505,715 | 86 | 37,953,107 | 28 | 14,635,450 | - | - | 907 | 165,903,216 |

c. Year 2016-17

| Particulars | 0-30 days | | 30 days - 6 months | | 6 months - 1 year | | 1 year - 5 years | | > 5 years | | Total | |
|--------------------|------------|-------------------|--------------------|-------------------|-------------------|------------------|------------------|----------|-----------|----------|------------|-------------------|
| | Count | Amount | Count | Amount | Count | Amount | Count | Amount | Count | Amount | Count | Amount |
| Fire | - | - | - | - | - | - | - | - | - | - | - | - |
| Motor OD | 248 | 10,126,650 | 83 | 15,087,771 | 3 | 1,335,445 | - | - | - | - | 334 | 26,549,865 |
| Motor TP | 8 | 2,920,000 | 17 | 7,165,000 | 5 | 1,900,000 | - | - | - | - | 30 | 11,985,000 |
| PA | 8 | 160,000 | 2 | 79,000 | - | - | - | - | - | - | 10 | 239,000 |
| Health | 44 | 2,062,450 | 11 | 926,393 | - | - | - | - | - | - | 56 | 2,988,843 |
| Others | - | - | - | - | - | - | - | - | - | - | - | - |
| Grand Total | 308 | 15,269,100 | 113 | 23,258,164 | 8 | 3,235,445 | - | - | - | - | 430 | 41,762,708 |

d. Year 2015-16

| Particulars | 0-30 days | | 30 days - 6 months | | 6 months - 1 year | | 1 year - 5 years | | > 5 years | | Total | |
|--------------------|-----------|----------------|--------------------|---------------|-------------------|----------|------------------|----------|-----------|----------|-----------|----------------|
| | Count | Amount | Count | Amount | Count | Amount | Count | Amount | Count | Amount | Count | Amount |
| Pvt Car | 11 | 224,039 | 1 | 21,850 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 245,889 |
| GCV | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MISD | 1 | 38,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 38,000 |
| Grand Total | 12 | 262,039 | 1 | 21,850 | 0 | 0 | 0 | 0 | 0 | 0 | 13 | 283,889 |

Annexure - 2

Average Claims Settlement Time:

| Particulars | 2018-19 | | 2017-18 | | 2016-17 | | 2015-16 | | 2014-15 | |
|-------------|---------|--------|---------|--------|---------|--------|---------|--------|---------|--------|
| | Count | Amount | Count | Amount | Count | Amount | Count | Amount | Count | Amount |
| Fire | 55 | 187 | 13 | 122 | - | - | - | - | - | - |
| Motor OD | 16,538 | 19 | 10909 | 24 | 2,763 | 20 | 8 | 17 | - | - |
| Motor TP | 66 | 310 | 15 | 182 | 1 | 183 | - | - | - | - |
| PA | 195 | 10 | 40 | 10 | 9 | 7 | - | - | - | - |
| Health | 7032 | 9 | 1064 | 10 | 394 | 27 | - | - | - | - |
| Others | 14 | 91 | 1 | 37 | - | - | - | - | - | - |
| Engineering | 1 | 107 | - | - | - | - | - | - | - | - |

Annexure - 3

Details of Claims Intimated:

| Particulars | Eastern | | Northern | | Southern | | Western | | Amount | |
|-------------------|--------------|---------------|--------------|----------------|--------------|----------------|--------------|----------------|--------|--------|
| | Count | Amount | Count | Amount | Count | Amount | Count | Amount | Count | Amount |
| Fire | 6 | 14,405 | 66 | 70,340 | 19 | 2,957 | 15 | 101,964 | - | - |
| Engineering | - | - | 1 | 520 | - | - | - | - | - | - |
| Motor OD | 2,148 | 47,739 | 7,374 | 189,198 | 4,282 | 94,022 | 6,079 | 137,048 | - | - |
| Motor TP | 18 | 20,869 | 116 | 435,049 | 67 | 106,710 | 56 | 119,709 | - | - |
| Personal Accident | 7 | 600 | 72 | 8,137 | 38 | 4,232 | 74 | 4,517 | - | - |
| Health Insurance | 269 | 14,121 | 1,809 | 83,321 | 2,383 | 88,362 | 2,713 | 61,222 | - | - |
| Others | 1 | 65 | 8 | 3,865 | 6 | 473 | 4 | 1,417 | - | - |
| Total | 2,449 | 97,799 | 9,446 | 790,430 | 6,795 | 296,756 | 8,941 | 425,877 | - | - |



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CIN: L65110MH1985PLC038137