



# MULTIPLYING BY ADDING

**Kotak Mahindra General Insurance Company Limited**

ANNUAL REPORT 2015 - 16

# DIRECTORS' REPORT TO THE SHAREHOLDERS

To the Members

## Kotak Mahindra General Insurance Company Limited

The Board of Directors of your Company is pleased to present its Second Annual Report together with the audited financial statements for the year ended March 31, 2016.

## FINANCIAL SUMMARY/HIGHLIGHTS

The summarised results of operations of your Company for the Financial Year ("FY") 2015-16 are as follows:

(₹ Crore)		
Particulars	Year ended March 2016	Year ended March 2015
Premium from Direct Business	3.71	Nil
Premium Earned	0.06	Nil
Profit / (Loss) Before Tax	(9.73)	(0.27)
Profit / (Loss) After Tax	(9.73)	(0.27)
Networth	125	0.78
Assets Under Management	114.43	Nil

## 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, 2016.

## 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.

## OPERATIONS

Your Company received approval (R3) from the Insurance Regulatory and Development Authority of India (IRDAI) on November 18, 2015 to commence its general insurance business (including health insurance). Your Company issued its first policy on December 17, 2015.

## INDUSTRY HIGHLIGHT

The general insurance industry as a whole registered a growth of 13.8%, in which the private sector (excluding standalone health insurance companies) grew by 12.14%. Since, Your Company commenced operations on December 17, 2015, the growth numbers are not applicable.

## PRODUCTS

Your Company launched the Motor and Health line of business to cater to the customer needs and commenced business within 12 months of submitting license application to IRDAI. Your Company has also applied to IRDAI for products in other lines of business.

## DISTRIBUTION NETWORK

Your Company has a network of 8 branches catering to around 250 locations. Your Company has 2 corporate agents and 12 brokers.

## CAPITAL

During the financial year 2015-16, additional capital was infused by issuance of 13,39,50,000 equity shares at par on a rights basis. Your Company did not issue any sweat equity or equity shares with differential voting rights. The issued, subscribed and paid up share capital post allotment, as on March 31, 2016 is ₹135,00,00,000/-.

# DIRECTORS' REPORT TO THE SHAREHOLDERS

## CORPORATE GOVERNANCE

Your Company has consciously endeavoured 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

The name of your Company has been changed from Kotak Mahindra General Insurance Limited to Kotak Mahindra General Insurance Company Limited. There has been no change either in the Name or the Registered Office of your Company.

## DIRECTORS

At the ensuing Annual General Meeting, Mr. Virat Diwanji (DIN:07021146) is liable to retire by rotation. Being eligible, Mr. Virat Diwanji has offered himself for reappointment. The Board recommends his appointment.

During the financial year ended March 31, 2016, Your Company appointed two independent directors, one non-executive director, chief finance officer and the company secretary in accordance with the applicable law.

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 Committee.

## BOARD MEETINGS

During the financial year ended March 31, 2016, 7 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 23, 2015	2	3
July15, 2015	2	3
August27, 2015	2	3
September01, 2015	2	3
September 30, 2015	5	6
October 27, 2015	5	6
January 14, 2016	6	6

## CONSTITUTION OF COMMITTEES

During the financial year ended March 31, 2016, Your Company constituted the Audit Committee, Banking Committee, Policyholder Protection Committee, Risk Management Committee, Investment Committee and the Nomination and Remuneration Committee in accordance with the applicable provisions.

## DEPOSITS

Your Company has not accepted any deposits from the public during the financial year ended 2015-16.

## 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.

## WHISTLE BLOWER POLICY & VIGIL MECHANISM

Your Company has in place a Whistle Blower Policy and vigil mechanism.

## CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility were not applicable to Your Company for the financial year ended 2015-16.

## SUBSIDIARIES

As on March 31, 2016, 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 commenced using information technology in its operations.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Year ended March 2016
Foreign Exchange Outgo	INR 3,82,385

## 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. 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 would be issuing necessary instructions/ guidance/ clarifications on relevant aspects of IND AS.

**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.

**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. The Secretarial Audit Report for the FY 2015 - 2016 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.

**EMPLOYEES**

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 aforesaid annexure. The annexure is available for inspection at the Registered Office of your Company. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of your Company.

**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, 2016;
- (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**

The Directors thank the Insurance Regulatory and Development Authority of India for its support. The Directors also acknowledge and express appreciation of the teams for their efforts to commence business.

**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**

**Director**

**Director**

Place: Mumbai

Date: 29th April, 2016

# REPORT ON CORPORATE GOVERNANCE

Annexure 1

In accordance to the provisions of the Corporate Governance Guidelines issued by the Insurance Regulatory & Development Authority (IRDAI), the report containing details of the Corporate Governance systems and processes of the Company for the FY 2015 - 16 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, 2016 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. Dhananjay Date and Mr. Arun Agarwal were appointed as Independent Director w.e.f September 30, 2015.

The details of the Directors like qualification, specialization, and status of directorship as well as brief profile, as at March 31, 2016, is given at Annexure A enclosed with this report.

### Composition of the Committee positions held by Directors as on March 31, 2016

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

### Board Meetings

During the year seven Board Meetings were held. The Meetings were held on April 25, 2015, July 15, 2015, August 27, 2015, September 1, 2015, September 30, 2015, October 27, 2015 and January 14, 2016.

Name of Directors	No. of meetings held	No. of meetings attended
Mr. Gaurang Shah	7	7
Mr. G Murlidhar	7	1
Mr. Virat Diwanji	7	7
Ms. Anu Aggarwal	7	3
Mr. Dhananjay Date	7	3
Mr. Arun Agarwal	7	3

Ms. Anu Aggarwal, Mr. Dhananjay Date and Mr. Arun Agarwal were appointed on September 30, 2015.

### 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
- 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 Chief Executive Officer

### DIRECTORS' REMUNERATION

(₹'000)		
Name of Director	Sitting Fee	Commission
Mr. Gaurang Shah	-	-
Mr. Arun Agarwal	200	-
Mr. Dhananjay Date	200	-
Mr. G Murlidhar	-	-
Mr. Viral Diwanji	-	-
Mr. Anu Agarwal	-	-

### 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, maintenance, 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 FY 2015 - 16 two meetings of the Committee were held on October 27, 2015 and January 14, 2016.

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

Name of Directors	No. of meetings held	No. of meetings attended
Mr. G Murlidhar	2	1
Mr. Dhananjay Date	2	2
Mr. Arun Agarwal	2	2

## 2. INVESTMENT COMMITTEE

The Investment Committee of the Company comprises of two Non-Executive Directors, the Chief Executive Officer, the Chief Investment Officer, the Chief Financial Officer and the Appointed Actuary. 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 FY 2015 - 16 two meetings of the Committee were held on September 30, 2015 and January 13, 2016.

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	2	1
Mr. Virat Diwanji	2	2
Mr. Mahesh Balasubramanian	2	2
Mr. Mehul Shah	2	2
Mr. Yash Kotak	2	2
Mr. Gajendra M	2	1

## 3. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of one Non-Executive Director, the Chief Executive Officer and the Appointed Actuary. 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

During the FY 2015 - 16 two meetings of the Committee were held on October 27, 2015 and January 13, 2016.

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	2	2
Mr. Mahesh Balasubramanian	2	2
Mr. Mehul Shah	2	2

#### 4. POLICYHOLDERS PROTECTION COMMITTEE

The Policyholders Protection Committee comprises of one Non-Executive Director, the Chief Executive Officer, the Chief Operating Officer and the Chief Technology Officer. 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

During the FY 2015 - 16 one meeting of the Committee were held on January 13, 2016.

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	1	-
Mr. Mahesh Balasubramanian	1	1
Mr. N. Eswaranatarajan	1	1
Mr. Suresh Sankaranarayanan	1	1

#### 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, recommendation 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

During the FY 2015 - 16 one meetings of the Committee were held on January 14, 2016.

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

Name of Directors	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 Committee comprises of three Non-Executive Directors and the 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 2015 - 16 two meetings of the Committee were held on December 9, 2015 and January 29, 2016.

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*	2	1
Mr. Virat Diwanji	2	2
Mr. G Murlidhar	2	-
Mr. Mahesh Balasubramanian	2	1
Ms. Anu Aggarwal*	2	1

\* The Committee was reconstituted on January 14, 2016. Mr. Gaurang Shah stepped down as the member and Ms. Anu Aggarwal was inducted as the member of the Committee.

### Certification for compliance of the Corporate Governance Guidelines

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

**Priti Rohira**

Company Secretary &  
Chief Manager – Legal & Compliance

## ANNEXURE A TO THE CORPORATE GOVERNANCE REPORT

### Details of the Directors of the Company:

<b>Name</b>	<b>Mr. Gaurang Shah – Non Executive Director</b> (DIN: 00016660)
<b>Qualification</b>	M.Com, ACA, ACWA, ACS
<b>Brief Details</b>	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.  Mr. Shah has over 31 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.
<b>Status of Directorship</b>	Kotak Mahindra Asset Management Company Limited Kotak Mahindra Pension Fund Limited Kotak Mahindra (UK) Limited Kotak Mahindra Inc Kotak Mahindra Asset Management (Singapore) Pte. Ltd. Kotak Mahindra Old Mutual Life Insurance Limited
<b>Name</b>	<b>Mr. G Murlidhar – Non Executive Director</b> (DIN: 03601196)
<b>Qualification</b>	ACA, ICWA, ACS
<b>Brief Details</b>	Mr. G Murlidhar is a founder member of Kotak Mahindra Old Mutual Life Insurance Limited, and has served the Company in various capacities of increasing responsibility over the years.  Mr. Murlidhar has over 30 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.
<b>Status of Directorship</b>	Kotak Mahindra Old Mutual Life Insurance Limited
<b>Name</b>	<b>Mr. Virat Diwanji – Non Executive Director</b> (DIN: 07021146)
<b>Qualification</b>	B.E. (Mechanical), Master of Business Administration
<b>Brief Details</b>	Mr. Virat Diwanji is part of the Consumer Banking function of Kotak Mahindra Bank Ltd. Mr. Diwanji has over 22 years of rich and varied experience in the financial services industry.
<b>Status of Directorship</b>	-
<b>Name</b>	<b>Ms. Anu Aggarwal – Non Executive Director</b> (DIN: 07301689)
<b>Qualification</b>	Bachelor of Commerce, Master of Business Administration
<b>Brief Details</b>	Ms. Anu Aggarwal co-heads the Conglomerate and Corporate business group of Kotak Mahindra Bank Ltd. Ms. Aggarwal has over 20 years of rich and varied experience in the financial services industry. Ms. Aggarwal is also amongst the Top women leaders in the banking industry
<b>Status of Directorship</b>	-

# SECRETARIAL AUDIT REPORT

**FORM MR-3****FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016**

[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 Kotak Mahindra General Insurance Company Limited 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, 2016 ('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 Kotak Mahindra General Insurance Company Limited for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made 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); The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
- (v) 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(vi) 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 compliances to IRDAI.

(vii) 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 1 and 2 issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with the Stock exchanges; **not applicable to the Company.**

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 constituted in accordance with the provisions of the Companies Act, 2013. 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.

Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance except for the meetings which were held at a shorter notice to transact urgent business 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 in my opinion, there are no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Mumbai

Date: 25th April, 2016.

**Rupal Dhiren Jhaveri**

Practising Company Secretary

FCS No: 5441

Certificate of Practice No. 4225

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

**'Annexure A'**

To,

The Members

**KOTAK MAHINDRA GENERAL INSURANCE COMPANY LIMITED**

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

Place: Mumbai

Date: 25th April, 2016.

**Rupal Dhiren Jhaveri**

Practising Company Secretary

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, 2016

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

### I. REGISTRATION AND OTHER DETAILS:

- i) CIN: 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 –

S. 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
		Dmat	Physical	Total	% of total shares	Dmat	Physical	Total	% of total shares	
A. Promoters										
(1)	Indian									
a)	Individual/HUF*	-	6	6	0.01	-	6	6	0.00	
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	-	-	-	-	-	-	-	-
e)	Banks / FI	-	1049994	1049994	99.99	-	134999994	134999994	100.00	0.01
f)	Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-		-	1050000	1050000	100.00	-	135000000	135000000	100.00	0.01
(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)		-	1050000	1050000	100.00	-	135000000	135000000	100.00	0.01
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)	-	-	-	-	-	-	-	-	-
2. Non-Institutions										
a)	Bodies Corp.									
	i) Indian	-	-	-	-	-	-	-	-	-
	ii) Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									

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
	Dmat	Physical	Total	% of total shares	Dmat	Physical	Total	% of total shares	
i) Individual									
shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual									
shareholders holding nominal share capital in excess of Rs 1lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	1050000	1050000	100.00	135000000	135000000	100.00	100.00	0.01

\*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	
1	Kotak Mahindra Bank Limited and its nominees	1050000	-	135000000	100	-	-	-
<b>Total</b>		<b>1050000</b>	<b>-</b>	<b>135000000</b>	<b>100</b>	<b>-</b>	<b>-</b>	

## (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	1050000	100.00		
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus/ sweat equity etc)	133950000		135000000	100.00
	<ul style="list-style-type: none"> <li>July 15, 2015 – Rights Issue of 24150000 shares</li> <li>September 1, 2015 - Rights Issue of 109800000 shares</li> </ul>				
	At the End of the year	135000000	100.00	133950000	100.00

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

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 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	1 *	-	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):	1	-	-	-
	• July 27, 2015				
	At the End of the year	2 *	-	2 *	-

\*1 share held by a Director and Key Managerial Personnel each as a nominee of Kotak Mahindra Bank Ltd. and he has no beneficial interest in the share.

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

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## 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/WTM/Manager			Total Amount
		MD	WTD	Manager	
1.	Gross salary		-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission		-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify		-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act-	-	-	-	-

The Company did not have any Director in the employment of the Company during the financial year ended March 31, 2016.

### B. Remuneration to other directors:

Name of Director	(₹'000)	
	Sitting Fee	Commission
Mr. Gaurang Shah	-	-
Mr. Arun Agarwal	200	-
Mr. Dhananjay Date	200	-
Mr. Murlidhar Gangadharan	-	-
Mr. Viral Diwanji	-	-
Ms. Anu Agarwal	-	-

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	125,57,028	4,63,841	23,43,128	153,63,997
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	29,700	-	-	29,700
	(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		-	-	-

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	--	-

Form No. AOC-2

### 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 – As per details in the related party disclosures

(a)	Name(s) of the related party and nature of relationship
(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:

Form shall be signed by the persons who have signed the Board's report.

# BALANCE SHEET

## AS AT 31ST MARCH, 2016

₹ '000

Particulars	Schedule	As at 31.03.2016	As at 31.03.2015
<b>Sources of Funds</b>			
Share Capital	5	1,350,000	10,500
Reserves And Surplus	6	-	-
Fair Value Change Account		-	-
Borrowings	7	-	-
<b>TOTAL</b>		<b>1,350,000</b>	<b>10,500</b>
<b>Application of Funds</b>			
Investments	8	1,144,268	-
Loans	9	-	-
Fixed Assets	10	136,278	-
Deferred Tax Asset (Refer Note 27 of Schedule 16)		-	-
<b>Current Assets</b>			
Cash and Bank Balances	11	4,113	10,500
Advances and Other Assets	12	101,029	130
<b>Sub-Total (A)</b>		<b>105,142</b>	<b>10,630</b>
Current Liabilities	13	98,610	2,804
Provisions	14	37,043	-
<b>Sub-Total (B)</b>		<b>135,653</b>	<b>2,804</b>
<b>Net Current Assets (C) = (A - B)</b>		<b>(30,511)</b>	<b>7,826</b>
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		99,965	2,674
<b>TOTAL</b>		<b>1,350,000</b>	<b>10,500</b>

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  
ICAI FRN : 100186W

**For V.C.Shah & Co**  
Chartered Accountants  
ICAI FRN : 109818W

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

**Raghuvir M. Aiyar**  
Partner  
M. No :38128

**V.C. Shah**  
Partner  
M. No :10360

Director

Director

Place: Mumbai  
Date: April 29, 2016

**Mahesh Balasubramanian**  
Chief Executive Officer

**Yash Kotak**  
Chief Financial Officer

# PROFIT AND LOSS ACCOUNT

## FOR THE YEAR ENDED 31ST MARCH, 2016

₹ '000

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Operating Profit/(Loss)		
(a) Fire Insurance	-	-
(b) Marine Insurance	-	-
(c) Miscellaneous Insurance	(160,545)	-
Income from Investments		
(a) Interest, Dividend & Rent – Gross	29,787	
(b) Profit on sale/redemption of Investments	30,961	-
Less: Loss on sale of investments	(23)	-
Other Income	2,529	-
<b>TOTAL (A)</b>	<b>(97,291)</b>	<b>-</b>
Provisions (Other than taxation)		
(a) For diminution in the value of Investments	-	-
(b) For doubtful debts	-	-
(c) Others	-	-
Other Expenses		
(a) Expenses other than those related to Insurance Business	-	2,674
(b) Bad debts written off	-	-
(c) Others	-	-
<b>TOTAL (B)</b>	<b>-</b>	<b>2,674</b>
Profit / (Loss) Before Tax	(97,291)	(2,674)
Provision for Taxation		
Current Tax	-	-
Deferred Tax (Refer Note 27 of Schedule 16)	-	-
Profit / (Loss) After Tax	(97,291)	(2,674)
Profit available for appropriation	(97,291)	(2,674)
<b>Appropriations</b>		
(a) Interim dividends paid during the year	-	-
(b) Proposed final dividend	-	-
(c) Dividend distribution tax	-	-
(d) Transfer to any Reserves or Other Accounts	-	-
Balance of profit/ (loss) brought forward from previous period	(2,674)	-
<b>Balance carried forward to Balance Sheet</b>	<b>(99,965)</b>	<b>(2,674)</b>
<b>Earning Per Share (Basic &amp; Diluted) (Refer Note 17 of Schedule 16)</b>	<b>(1.18)</b>	<b>(51.46)</b>

Significant Accounting Policies &amp; 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  
ICAI FRN : 100186W

#### For V.C.Shah & Co

Chartered Accountants  
ICAI FRN : 109818W

#### Raghuvir M. Aiyar

Partner  
M. No :38128

#### V.C. Shah

Partner  
M. No :10360

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

#### of Kotak Mahindra General Insurance Company Limited

Director

Director

Place: Mumbai

Date: April 29, 2016

**Mahesh Balasubramanian**

Chief Executive Officer

**Yash Kotak**

Chief Financial Officer

# REVENUE ACCOUNT

## FOR THE YEAR ENDED 31.03.2016

₹ '000

Particulars	Schedule	For the year ended 31.03.2016				For the year ended 31.03.2015			
		Fire	Marine	Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
Premiums earned (Net)	1	-	-	605	605	-	-	-	-
Profit/ (Loss) on sale/redemption of Investments		-	-	847	847	-	-	-	-
Others - Miscellaneous Income		-	-	69	69	-	-	-	-
Interest, Dividend & Rent – Gross				815	815				
<b>TOTAL (A)</b>		-	-	<b>2,336</b>	<b>2,336</b>	-	-	-	-
Claims Incurred (Net)	2	-	-	2,103	2,103	-	-	-	-
Commission	3	-	-	2,100	2,100	-	-	-	-
Contribution to Solatium Fund		-	-	12	12	-	-	-	-
Change in Premium Deficiency		-	-	-	-	-	-	-	-
Operating Expenses related to Insurance Business	4	-	-	158,666	158,666	-	-	-	-
<b>TOTAL (B)</b>		-	-	<b>162,881</b>	<b>162,881</b>	-	-	-	-
<b>Operating Profit/(Loss) from Fire/ Marine/Miscellaneous Business C= (A - B)</b>		-	-	<b>(160,545)</b>	<b>(160,545)</b>	-	-	-	-
APPROPRIATIONS		-	-	-	-	-	-	-	-
Transfer to Shareholders' Account		-	-	(160,545)	(160,545)	-	-	-	-
Transfer to Catastrophe Reserve		-	-	-	-	-	-	-	-
Other Investments		-	-	-	-	-	-	-	-
<b>TOTAL (C)</b>		-	-	<b>(160,545)</b>	<b>(160,545)</b>	-	-	-	-

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

ICAI FRN : 100186W

**For V.C.Shah & Co**

Chartered Accountants

ICAI FRN : 109818W

**Raghuvir M. Aiyar**

Partner

M. No :38128

**V.C. Shah**

Partner

M. No :10360

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

**of Kotak Mahindra General Insurance Company Limited**

Director

Director

Place: Mumbai

Date: April 29, 2016

**Mahesh Balasubramanian**

Chief Executive Officer

**Yash Kotak**

Chief Financial Officer

# RECEIPTS & PAYMENTS ACCOUNT

## FOR THE YEAR ENDED 31 MARCH, 2016

₹ '000

Particulars	For the year ended 31st Mar 2016	For the year ended 31st Mar 2015
<b>Cash Flows from the operating activities:</b>		
Premium received from policyholders, including advance receipts	47,736	-
Other receipts	-	-
Payments to the re-insurers, net of commissions and claims	(2,348)	-
Payments to co-insurers, net of claims recovery	-	-
Payments of claims	(109)	-
Payments of commission and brokerage	(830)	-
Payments of other operating expenses	(120,965)	-
Preliminary and pre-operative expenses	-	-
Deposits, advances and staff loans	(4,159)	-
Income taxes paid (Net)	(258)	-
Service tax paid	(956)	-
Other payments	-	-
Cash flows before extraordinary items	-	-
Cash flow from extraordinary operations	-	-
<b>Net cash flow from operating activities (A)</b>	<b>(81,889)</b>	<b>-</b>
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	(100,552)	-
Proceeds from sale of fixed assets	-	-
Purchases of investments	(2,283,960)	-
Loans disbursed	-	-
Sales of investments	979,768	-
Repayments received	100,000	-
Rents/Interests/ Dividends received	31,445	-
Investments in money market instruments and in liquid mutual funds (Net)*	9,353	-
Expenses related to investments	(52)	-
<b>Net cash flow from investing activities (B)</b>	<b>(1,263,998)</b>	<b>-</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of share capital	1,339,500	10,500
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	-	-
<b>Net cash flow from financing activities (C)</b>	<b>1,339,500</b>	<b>10,500</b>
<b>Effect of foreign exchange rates on cash and cash equivalents, (Net) (D)</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents: (A+B+C+D)</b>	<b>(6,387)</b>	<b>10,500</b>
Cash and cash equivalents at the beginning of the year	10,500	-
Cash and cash equivalents at the end of the year	4,113	10,500
Net decrease in cash and cash equivalents	(6,387)	10,500

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

ICAI FRN : 100186W

**Raghuvir M. Aiyar**

Partner

M. No :38128

Place: Mumbai

Date: April 29, 2016

**For V.C.Shah & Co**

Chartered Accountants

ICAI FRN : 109818W

**V.C. Shah**

Partner

M. No :10360

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

Director

**Mahesh Balasubramanian**

Chief Executive Officer

Director

**Yash Kotak**

Chief Financial Officer

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

### SCHEDULE 1 - PREMIUM EARNED (NET)

₹ '000

Particulars	For the year ended 31.03.2016					For the year ended 31.03.2015				
	Fire	Marine Cargo	Others	Miscellaneous*	Total	Fire	Marine Cargo	Others	Miscellaneous*	Total
Premium from direct business written :	-	-	-	37,089	37,089	-	-	-	-	-
Add : Premium on reinsurance accepted	-	-	-	0.4	0.4	-	-	-	-	-
Less : Premium on reinsurance ceded	-	-	-	4,059	4,059	-	-	-	-	-
<b>Net Premium</b>	-	-	-	<b>33,031</b>	<b>33,031</b>	-	-	-	-	-
<b>Adjustment for change in reserve for unexpired risks :</b>										
Reserve created during the year	-	-	-	32,426	32,426	-	-	-	-	-
Less : Reserve created during the previous year written back	-	-	-	-	-	-	-	-	-	-
Change in the unexpired risk reserve	-	-	-	32,426	32,426	-	-	-	-	-
<b>Total Premium Earned (Net)</b>	-	-	-	<b>605</b>	<b>605</b>	-	-	-	-	-

\*Refer Schedule 1A

### SCHEDULE 1A - PREMIUM EARNED (NET)

#### For the year ended 31.03.2016

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 :	24,558	11,675	36,232	-	-	-	-	-	857	-	-	37,089
Add : Premium on reinsurance accepted	-	0.4	0.4	-	-	-	-	-	-	-	-	0.4
Less : Premium on reinsurance ceded	2,773	1,243	4,016	-	-	-	-	-	43	-	-	4,059
<b>Net Premium</b>	<b>21,784</b>	<b>10,432</b>	<b>32,216</b>	-	-	-	-	-	<b>814</b>	-	-	<b>33,031</b>
<b>Adjustment for change in reserve for unexpired risks :</b>												
Reserve created during the year	21,364	10,283	31,646	-	-	-	-	-	779	-	-	32,426
Less : Reserve created during the previous year written back	-	-	-	-	-	-	-	-	-	-	-	-
Change in the unexpired risk reserve	21,364	10,283	31,646	-	-	-	-	-	779	-	-	32,426
<b>Total Premium Earned (Net)</b>	<b>420</b>	<b>150</b>	<b>570</b>	-	-	-	-	-	<b>35</b>	-	-	<b>605</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

₹ '000

### For the year ended 31.03.2015

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 :	-	-	-	-	-	-	-	-	-	-	-	-
Add : Premium on reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-	-
Less : Premium on reinsurance ceded	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Premium</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Adjustment for change in reserve for unexpired risks :</b>	-	-	-	-	-	-	-	-	-	-	-	-
Reserve created during the year	-	-	-	-	-	-	-	-	-	-	-	-
Less : Reserve created during the previous year written back	-	-	-	-	-	-	-	-	-	-	-	-
Change in the unexpired reisk reserve	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Premium Earned (Net)</b>	-	-	-	-	-	-	-	-	-	-	-	-

### SCHEDULE 2 - CLAIMS INCURRED (NET)

₹ '000

Particulars	For the year ended 31.03.2016					For the year ended 31.03.2015				
	Fire	Marine Cargo Others	Miscellaneous*	Total		Fire	Marine Cargo Others	Miscellaneous*	Total	
Claims paid										
Direct claims	-	-	-	106	106	-	-	-	-	-
Add : Re-insurance accepted to direct claims	-	-	-	0.8	0.8	-	-	-	-	-
Less : Re-insurance Ceded to claims	-	-	-	5	5	-	-	-	-	-
<b>Net Claims Paid</b>	-	-	-	102	102	-	-	-	-	-
Claims Outstanding (Including IBNR and IBNER)										
Add : Claims Outstanding at the end of the period (Net of Reinsurance)	-	-	-	2,001	2,001	-	-	-	-	-
Less : Claims Outstanding at the beginning of the period (Net of Reinsurance)	-	-	-	-	-	-	-	-	-	-
<b>Total Claims Incurred (Net)</b>	-	-	-	2,103	2,103	-	-	-	-	-

\*Refer Schedule 2A

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

### SCHEDULE 2A - CLAIMS INCURRED (NET)

₹ '000

	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	-	-	-	-	-	-	-	-	-	-	-	-
Add : Re-insurance accepted to direct claims	-	-	-	-	-	-	-	-	-	-	-	-
Less : Re-insurance Ceded to claims	-	-	-	-	-	-	-	-	-	-	-	-
Net Claims Paid	-	-	-	-	-	-	-	-	-	-	-	-
Claims Outstanding (Including IBNR and IBNER)	-	-	-	-	-	-	-	-	-	-	-	-
Add : Claims Outstanding at the end of the period (Net of Reinsurance)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Claims Incurred (Net)</b>		-	-	-	-	-	-	-	-	-	-	-
Less : Claims Outstanding at the beginning of the period (Net of Reinsurance)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Claims Incurred (Net)</b>	-	-	-	-	-	-	-	-	-	-	-	-

### SCHEDULE 3 - COMMISSION

₹ '000

Particulars	For the year ended 31.03.2016					For the year ended 31.03.2015				
	Fire	Marine Cargo	Others	Miscellaneous*	Total	Fire	Marine Cargo	Others	Miscellaneous*	Total
<b>Commission paid</b>										
Commission Paid Direct	-	-	-	2,320	2,320	-	-	-	-	-
Add: Re-insurance Accepted	-	-	-	-	-	-	-	-	-	-
Less: Commission on Re-insurance Ceded	-	-	-	220	220	-	-	-	-	-
<b>Net Commission</b>	-	-	-	<b>2,100</b>	<b>2,100</b>	-	-	-	-	-
<b>Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below:</b>										
Agents	-	-	-	-	-	-	-	-	-	-
Brokers	-	-	-	119	119	-	-	-	-	-
Corporate Agency	-	-	-	2,201	2,201	-	-	-	-	-
Referral	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
<b>TOTAL (B)</b>	-	-	-	<b>2,320</b>	<b>2,320</b>	-	-	-	-	-

\*Refer Schedule 3A

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

### SCHEDULE 3 (A) - COMMISSION

For the year ended 31.03.2016

₹ '000

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
<b>Commission paid</b>												
Commission Paid Direct	2,188	8	2,196	-	-	-	-	-	124		-	2,320
Add: Re-insurance Accepted	-	-	-	-	-	-	-	-	-		-	-
Less: Commission on Re-insurance Ceded	184	29	213	-	-	-	-	-	6		-	220
<b>Net Commission</b>	<b>2,004</b>	<b>(21)</b>	<b>1,983</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118</b>		<b>-</b>	<b>2,100</b>
<b>Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below:</b>												
Agents	-	-	-	-	-	-	-	-	-		-	-
Brokers	109	8	117	-	-	-	-	-	2		-	119
Corporate Agency	2,079	-	2,079	-	-	-	-	-	122		-	2,201
Referral	-	-	-	-	-	-	-	-	-		-	-
Others	-	-	-	-	-	-	-	-	-		-	-
<b>TOTAL (B)</b>	<b>2,188</b>	<b>8</b>	<b>2,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124</b>		<b>-</b>	<b>2,320</b>

For the year ended 31.03.2015

₹ '000

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
<b>Commission paid</b>												
Commission Paid Direct	-	-	-	-	-	-	-	-	-		-	-
Add: Re-insurance Accepted	-	-	-	-	-	-	-	-	-		-	-
Less: Commission on Re- insurance Ceded	-	-	-	-	-	-	-	-	-		-	-
<b>Net Commission</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>
<b>Break-up of the expenses (Gross) incurred to procure</b>												
Agents	-	-	-	-	-	-	-	-	-		-	-
Brokers	-	-	-	-	-	-	-	-	-		-	-
Corporate Agency	-	-	-	-	-	-	-	-	-		-	-
Referral	-	-	-	-	-	-	-	-	-		-	-
Others	-	-	-	-	-	-	-	-	-		-	-
<b>TOTAL (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

### SCHEDULE 4 - OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

₹ '000

Particulars	For the year ended 31.03.2016					For the year ended 31.03.2015				
	Fire	Marine Cargo Others	Miscellaneous*	Total		Fire	Marine Cargo Others	Miscellaneous*	Total	
Employees' remuneration & welfare benefits	-	-	-	90,851	90,851	-	-	-	-	-
Travel, conveyance and vehicle running expenses	-	-	-	3,344	3,344	-	-	-	-	-
Training expenses	-	-	-	235	235	-	-	-	-	-
Rents, rates & taxes	-	-	-	23,700	23,700	-	-	-	-	-
Repairs and maintenance	-	-	-	782	782	-	-	-	-	-
Printing & stationery	-	-	-	636	636	-	-	-	-	-
Communication	-	-	-	716	716	-	-	-	-	-
Legal & professional charges	-	-	-	11,037	11,037	-	-	-	-	-
Auditors' fees, expenses etc	-	-	-	-	-	-	-	-	-	-
(a) as auditor	-	-	-	699	699	-	-	-	-	-
(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	-	-	-	4	4	-	-	-	-	-
(d) out of pocket expenses	-	-	-	-	-	-	-	-	-	-
Advertisement and publicity	-	-	-	1,249	1,249	-	-	-	-	-
Interest & Bank Charges	-	-	-	33	33	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Membership and Subscription Fees	-	-	-	1,722	1,722	-	-	-	-	-
Information Technology Related Expenses	-	-	-	8,180	8,180	-	-	-	-	-
Electricity Expenses	-	-	-	1,127	1,127	-	-	-	-	-
Business Promotion	-	-	-	2	2	-	-	-	-	-
Administrative Expenses	-	-	-	-	-	-	-	-	-	-
Policy Related Expenses	-	-	-	-	-	-	-	-	-	-
Directors Sitting Fees	-	-	-	400	400	-	-	-	-	-
Exchange Gain/Loss (Net)	-	-	-	-	-	-	-	-	-	-
Miscellaneous Expenses	-	-	-	613	613	-	-	-	-	-
Depreciation	-	-	-	13,336	13,336	-	-	-	-	-
<b>TOTAL</b>	-	-	-	<b>158,664</b>	<b>158,664</b>	-	-	-	-	-

\*Refer Schedule 4A

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

For the year ended 31.03.2016

₹ '000

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
Employees' remuneration & welfare benefits	60,154	28,598	88,752	-	-	-	-	-	2,099	-	-	90,851
Travel, conveyance and vehicle running expenses	2,214	1,053	3,267	-	-	-	-	-	77	-	-	3,344
Training expenses	156	74	230	-	-	-	-	-	5	-	-	235
Rents, rates & taxes	15,692	7,460	23,152	-	-	-	-	-	548	-	-	23,700
Repairs and maintenance	518	246	764	-	-	-	-	-	18	-	-	782
Printing & stationery	421	200	621	-	-	-	-	-	15	-	-	636
Communication	474	225	699	-	-	-	-	-	17	-	-	716
Legal & professional charges	7,308	3,474	10,782	-	-	-	-	-	255	-	-	11,037
Auditors' fees, expenses etc	-	-	-	-	-	-	-	-	-	-	-	-
(a) as auditor	463	220	683	-	-	-	-	-	16	-	-	699
(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	2	1	3	-	-	-	-	-	0.1	-	-	4
(d) out of pocket expenses	-	-	-	-	-	-	-	-	-	-	-	-
Advertisement and publicity	827	393	1,220	-	-	-	-	-	29	-	-	1,249
Interest & Bank Charges	22	10	32	-	-	-	-	-	1	-	-	33
Others	-	-	-	-	-	-	-	-	-	-	-	-
Membership and Subscription Fees	1,140	542	1,682	-	-	-	-	-	40	-	-	1,722
Information Technology Related Expenses	5,416	2,575	7,991	-	-	-	-	-	189	-	-	8,180
Electricity Expenses	746	355	1,101	-	-	-	-	-	26	-	-	1,127
Business Promotion	1	1	2	-	-	-	-	-	0.04	-	-	2
Administrative Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Policy Related Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Directors Sitting Fees	265	126	391	-	-	-	-	-	9	-	-	400
Exchange Gain/Loss (Net)	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Expenses	406	193	599	-	-	-	-	-	14	-	-	613
Depreciation	8,830	4,198	13,028	-	-	-	-	-	308	-	-	13,336
<b>TOTAL</b>	<b>105,055</b>	<b>49,944</b>	<b>154,999</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,667</b>	<b>-</b>	<b>-</b>	<b>158,666</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

For the year ended 31.03.2015

₹ '000

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
Employees' remuneration & welfare benefits	-	-	-	-	-	-	-	-	-	-	-	-
Travel, conveyance and vehicle running expenses	-	-	-	-	-	-	-	-	-	-	-	-
Training expenses	-	-	-	-	-	-	-	-	-	-	-	-
Rents, rates & taxes	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Printing & stationery	-	-	-	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-	-	-	-
Legal & professional charges	-	-	-	-	-	-	-	-	-	-	-	-
Auditors' fees, expenses etc	-	-	-	-	-	-	-	-	-	-	-	-
(a) as auditor	-	-	-	-	-	-	-	-	-	-	-	-
(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	-	-	-	-	-	-	-	-	-	-	-	-
(d) out of pocket expenses	-	-	-	-	-	-	-	-	-	-	-	-
Advertisement and publicity	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
Membership and Subscription Fees	-	-	-	-	-	-	-	-	-	-	-	-
Information Technology Related Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Business Promotion	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Policy Related Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Directors Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Gain/Loss (Net)	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-	-	-

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

### SCHEDULE 5 - SHARE CAPITAL

₹ '000

Particulars	As at 31.03.2016	As at 31.03.2015
Authorised Capital		
150,000,000 (Previous Year: 1,500,000) Equity Shares of Rs. 10 each	1,500,000	150,000
Issued Capital		
135,000,000 (Previous Year: 1,050,000) Equity Shares of Rs. 10 each	1,350,000	10,500
Subscribed Capital		
135,000,000 (Previous Year: 1,050,000) Equity Shares of Rs. 10 each	1,350,000	10,500
Called-up Capital		
135,000,000 (Previous Year: 1,050,000) Equity Shares of Rs. 10 each	1,350,000	10,500
Less : Calls unpaid	0	0
Add : Equity Shares forfeited (amount originally paid up)	0	0
Less : Par Value of Equity Shares bought back	0	0
Less : Preliminary Expenses	0	0
Less : Expenses including commission or brokerage on underwriting or subscription of shares	0	0
<b>TOTAL</b>	<b>1,350,000</b>	<b>10,500</b>

Entire 135,000,000 (Previous Year 1,050,000) equity shares of Rs. 10 each fully paid up are held by Kotak Mahindra Bank Ltd the holding company and its nominees.

### SCHEDULE 5A - PATTERN OF SHAREHOLDING

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	135,000,000	100%	1,050,000	100%
- Foreign	-	0%	-	0%
Others				
<b>TOTAL</b>	<b>135,000,000</b>	<b>100%</b>	<b>1,050,000</b>	<b>0%</b>

### SCHEDULE 6 - RESERVES AND SURPLUS

Particulars	As at 31.03.2016	As at 31.03.2015
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Share Premium	-	-
General Reserves	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilized for Buy-back	-	-
Catastrophe Reserve	-	-
Other Reserves	-	-
Balance in Profit & Loss Account	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

### SCHEDULE 7 - BORROWINGS

₹ '000

Particulars	As at 31.03.2016	As at 31.03.2015
Debentures/ Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
<b>TOTAL</b>	-	-

### SCHEDULE 8 - INVESTMENTS

Particulars	As at 31.03.2016	As at 31.03.2015
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	571,066	-
Other Approved Securities	-	-
Other Investments	-	-
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	200,508	-
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	253,367	-
Other than Approved Investments	-	-
<b>SHORT TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	-	-
Other Approved Securities	-	-
Other Investments	-	-
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	21,322	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	-	-
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	98,005	-
Other than Approved Investments	-	-
<b>TOTAL</b>	<b>1,144,268</b>	-

#### Notes:

- During the period under review, there has been no investments in subsidiary/holding companies.
- Aggregate amount of investments other than listed equity securities and derivative instruments- INR 1144268 [figures in '000] (Previous Year - Nil), Market Value:1147583 [figures in '000] (Previous Year - Nil).

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

### SCHEDULE 9 - LOANS

₹ '000

Particulars	As at 31.03.2016	As at 31.03.2015
SECURITY-WISE CLASSIFICATION		
Secured	-	-
(a) On mortgage of property	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others	-	-
Unsecured	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
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	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
MATURITY-WISE CLASSIFICATION		
(a) Short Term	-	-
(b) Long Term	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

### SCHEDULE 10 - FIXED ASSETS

₹ '000

Particulars	Cost/ Gross Block			Depreciation			Net Block			
	As at 01.04.2015	Additions during the year	Deductions/ adjustments during the year	As at 31.03.2016	As at 01.04.2015	For the year ended 31.03.2016	On Sales/ Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Goodwill										-
Intangibles - Software	-	80,309	-	80,309	-	6,570	-	6,570	73,739	-
Land-Freehold									-	-
Leasehold Improvements	-	2,239	-	2,239	-	84	-	84	2,155	-
Buildings									-	-
Furniture & Fittings		119		119		119		119	-	-
IT Equipments	-	58,108	-	58,108	-	5,290	-	5,290	52,819	-
Vehicles	-	7,892	-	7,892	-	1,261	-	1,261	6,631	-
Office Equipment	-	224	-	224	-	13	-	13	210	-
Others									-	-
TOTAL	-	148,891	-	148,891	-	13,337	-	13,337	135,554	-
Capital Work in progress	-	724	-	724	-	-	-	-	724	-
Grand Total	-	149,615	-	149,615	-	13,337	-	13,337	136,278	

### SCHEDULE 11 - CASH AND BANK BALANCE

₹ '000

Particulars	As at 31.03.2016	As at 31.03.2015
Cash (including cheques, drafts and stamps)	143	-
Bank Balances		
(a) Deposit Accounts	-	-
(aa) Short-term (due within 12 months)	-	-
(bb) Others	-	-
(b) Current Accounts	3,970	10,500
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
Others	-	-
<b>TOTAL</b>	<b>4,113</b>	<b>10,500</b>
Balances with non-scheduled banks included in 2 above	-	-
Cas and Bank Balances	-	-
In India	-	-
Outside India	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

### SCHEDULE 12 - ADVANCES AND OTHER ASSETS

₹ '000

Particulars	As at 31.03.2016	As at 31.03.2015
<b>ADVANCES</b>		
Reserve deposits with ceding companies		-
Application money for investments	-	-
Prepayments	2,458	-
Advances to Directors/Officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	258	-
Others	-	-
Security Deposits	-	-
Advances to employees	318	-
Advances to vendors	1,125	-
Advance to others	-	-
<b>TOTAL (A)</b>	<b>4,159</b>	<b>-</b>
<b>OTHER ASSETS</b>		
Income accrued on investments	34,701	-
Outstanding Premiums	-	-
Agents' Balances	-	-
Foreign Agencies Balances	-	-
Due from other entities carrying on insurance business (including reinsurers)	225	-
Due from subsidiaries/ holding company	38	-
Deposit with Reserve Bank of India	-	-
Others	-	-
Investment Receivables	49,239	-
Security and other deposits	759	-
Service Tax Unutilised Credit	11,908	130
Cenvat Credit	-	-
Sundry Debtors	-	-
<b>TOTAL (B)</b>	<b>96,870</b>	<b>130</b>
<b>TOTAL (A+B)</b>	<b>101,029</b>	<b>130</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

### SCHEDULE 13 - CURRENT LIABILITIES

₹ '000

Particulars	As at 31.03.2016	As at 31.03.2015
Agents' Balances	1,314	-
Balances due to other insurance companies	2,124	-
Deposits held on re-insurance ceded	-	-
Premiums received in advance	558	-
Unallocated Premium	-	-
Unclaimed Amount of Policyholders (Refer Note 26 of Schedule 16)	36	-
Sundry creditors	50,424	2,693
Due to subsidiaries/ holding company	3,651	-
Claims Outstanding	2,001	-
Due to Officers/ Directors	-	-
Others -	-	-
Statutory Dues	12,914	111
Refund Payable - Premium	27	-
Provision for expenses	21,559	-
Premium Deposits	3,990	-
Solatium Fund	12	-
Payable to Related Parties	-	-
Contracts for Investments	-	-
Stale Cheque	-	-
Payable to Employees	-	-
<b>TOTAL</b>	<b>98,610</b>	<b>2,804</b>

### SCHEDULE 14 - PROVISIONS

Particulars	As at 31.03.2016	As at 31.03.2015
Reserve for Unexpired Risk	32,426	-
For taxation (less advance tax paid and taxes deducted at source)	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
Others	-	-
Gratuity	3,121	-
Leave Encashment	1,496	-
Reserve for Premium Deficiency	-	-
<b>TOTAL</b>	<b>37,043</b>	<b>-</b>

### SCHEDULE 15 - MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)

Particulars	As at 31.03.2016	As at 31.03.2015
Discount Allowed in issue of shares/ debentures	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## **SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

(Currency: In thousands of Indian Rupees unless otherwise stated)

### **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. Subsequently, it applied to IRDAI to register as a General Insurance Company under the provisions of Insurance Act 1938. The Company received certificate of registration from IRDAI on November 18, 2015 and subsequently commenced operations on December 17, 2015. The Company is in the business of underwriting general insurance policies and has launched general insurance products in Motor and Health.

#### **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 (Indian GAAP) under the historical cost convention on accrual basis to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of 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 31st March 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"), orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDA"/"Authority") in this regard.

##### **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 service tax (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. Any revisions in premium amount are recognised in the period in which it occur & over the remaining period of the policy. 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 maturity period of such securities on constant yield.

Gain/ Loss on transfer/ sale of 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.

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.

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**

Policies booked during current period but risk inception date is subsequent to the balance sheet date represents premium received in advance.

**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 on a contract period basis or risk period basis, whichever is applicable.. For other lines it is calculated on a daily pro-rata basis. In accordance with Section 64 V(1)(ii)(b) of the Insurance Act, 1938 the Unexpired Risk reserve is accounted, subject to a minimum premium of 50% of the aggregate premium written on policies during the twelve months preceding the Balance Sheet date for fire, marine cargo and miscellaneous business and 100% for marine hull business, on all unexpired policies at Balance Sheet date.

**F. Reinsurance Premium Ceded**

Re-insurance premium ceded is accounted on due basis at the time when related premium income is accounted for. 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. Premium on excess of loss reinsurance is accounted as per the terms of the reinsurance arrangements.

**G. Premium Deficiency Reserve**

Premium deficiency 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, 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 is based on actuarial estimates applying generally accepted actuarial principles, methodologies and standards and 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.

#### K. Allocation of Expenses

Operating expenses related to insurance business are allocated to various segments on the following basis:

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

#### L. Allocation of Investment income

Investment income has been allocated on the basis of the ratio of average policyholders' funds comprising reserves for unexpired risks, IBNR, IBNER and outstanding claims to average shareholders' funds, comprising share capital less accumulated losses, preliminary expenses and miscellaneous expenditure to the extent not written off or adjusted.

#### M. Fixed Assets – Tangible and Intangible Assets

Tangible Fixed assets are stated at cost including incidental expenses less accumulated depreciation. In respect of liabilities incurred in acquisition of fixed assets in foreign exchange, the net gain or loss arising on conversion / settlement are charged to revenue account.

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 higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimates of useful lives of the assets are based on a technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, and the operating conditions surrounding the use of the asset, etc. Estimated useful lives over which assets are depreciated / amortised 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
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 Rs. 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.

**N. Employee 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:**

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 in the Profit and Loss Account in the year in which they arise.

**O. Investments**

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 a straight line 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.

**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.

**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. The India Motor Third Party Declined Risk Insurance Pool (IMTPDRIP)**

The Indian Motor Third Party Declined Risk Insurance Pool (DR Pool) is an arrangement between all the general insurance companies to share risk of all standalone third party liability of commercial vehicles (Act only policies). Any business of act only policy which does not fall within the underwriting parameters of the company will be ceded to the DR Pool. The company to retain 20% of the specific risk, 5% to be ceded to GIC towards obligatory premium and remaining 75% to be ceded to the DR Pool. The company has to underwrite a minimum percentage, as prescribed of act only policies.

GIC is the pool administrator for this DR Pool.

The Company accounts for the transactions of the Company with the pool in the financial statements based on the statement received from GIC, combining its share of the pool's income and expenses with similar items in its financial statements, on a line-by-line basis under Motor Third Party sub-segment of Miscellaneous Revenue Account. The Company records its share in a similar manner for the period for which statements have not been received from GIC based on management estimates.

**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. Service Tax**

Service tax liability on premium are set-off against available cenvat 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.

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 PART OF FINANCIAL STATEMENTS

### Notes to Accounts

(Currency: In thousands of Indian Rupees unless otherwise stated)

#### 3. Contingent liabilities:-

Sr No.	Particulars	Mar-16	Mar-15
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	Mar-16	Mar-15
1	Estimated amount of commitment pertaining to contracts remaining to be executed in respect of Fixed Asset (Net of Advances)	44,177	Nil

#### 6. Claims

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

Sr No.	Particulars	Mar-16	Mar-15
1	In India	101	Nil
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 (Previous Year Nil).

Ageing of gross claims outstanding for more than 6 months is as under:

Sr No.	Particulars	Mar-16	Mar-15
1	More than 6 months	Nil	Nil
2	Other Claims	299	Nil

#### 7. PREMIUM

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

Sr No.	Particulars	Mar-16	Mar-15
1	In India	33,031	Nil
2	Outside India	Nil	Nil

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

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### Notes to Accounts

(Currency: In thousands of Indian Rupees unless otherwise stated)

#### 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):

Particulars	Gross Premium	Retention	Ceded	Retention %	Ceded %
Motor	36,233	32,217	4,016	95%	5%
Health	857	814	43	95%	5%

#### 9. Investments:

Value of contracts in relation to investments for:

Particulars	2016	2015
Purchases where deliveries are pending	Nil	Nil
Sales where payments are overdue	49,239	Nil

Historical cost of value of Investments which are valued on fair value basis Rs. Nil (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, 2000 as amended and are performing investments.

#### 10. Managerial Remuneration:-

Sr No	Particulars	Mar-16	Mar-15
1	Salary & Perquisites	11,931	Nil
2	Contribution to Provident & Other Funds	778	Nil

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

The company has commenced operations on 17th December 2015 and is in operations for less than 6 months as at 31st March 2016. So the annual obligations as indicated in the Insurance Regulatory and Development Authority of India (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015 shall be reckoned from the next financial year which shall be considered as the first year of operations for the purpose of compliance.

#### 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 profit & loss account on straight line basis over the period of lease term.

The aggregate operating lease rent amounting to Rs. 10,283 (Previous Year Nil) has been charged to the Revenue Accounts in the current year.

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

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### Notes to Accounts

(Currency: In thousands of Indian Rupees unless otherwise stated)

#### 14. Related Party:

The disclosures related to related parties as required by Accounting Standard 18 on Related Parties Disclosures as specified under Section 133 of the Act, read with Rule 7 of The Companies (Accounts) Rules, 2014 are as under:

Particulars	Nature of Relationship	Name of the party
Parties where control exists	Holding Company	Kotak Mahindra Bank Limited (KMBL)
		Kotak Mahindra Prime Limited
		Kotak Securities Limited
		Kotak Mahindra Investments Limited
		Kotak Mahindra Capital Company Limited
		Kotak Mahindra Asset Management Company Limited
		Kotak Mahindra Old Mutual Life Insurance Limited
		Kotak Mahindra Trustee Company Limited
Other Related Parties	Fellow Subsidiaries	Kotak Investment Advisors Limited
		Kotak Mahindra Trusteeship Services Limited
		Kotak Forex Brokerage Limited
		ING Vysya Financial Services 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)	Chief Executive Officer	Mahesh Balasubramanian
Relative of KMP	Father	T.S. Balasubramanian

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

Nature of Transactions	Name of the Company / Person	FY 15-16			FY 14-15		
		Holding Company	Fellow Subsidiaries	KMP	Holding Company	Fellow Subsidiaries	KMP
Assets							
Bank Balance	Kotak Mahindra Bank Limited	3,964					
Outstanding Receivables	Kotak Mahindra Bank Limited	38					
Prepaid Expenses	Kotak Mahindra Old Mutual Life Insurance Limited		90				
Commission Paid in Advance							
	Kotak Mahindra Bank Limited	32					
	Kotak Mahindra Prime Limited		8				

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### Notes to Accounts

(Currency: In thousands of Indian Rupees unless otherwise stated)

Nature of Transactions	Name of the Company / Person	FY 15-16			FY 14-15		
		Holding Company	Fellow Subsidiaries	KMP	Holding Company	Fellow Subsidiaries	KMP
Liability							
Premium Deposits							
	Kotak Mahindra Bank Limited	2,251					
	Kotak Mahindra Prime Limited	284					
	Kotak Investment Advisors Limited	8					
	Kotak Securities Limited	1					
Commission Payable	Kotak Mahindra Bank Limited	844					
Outstanding Payables							
	Kotak Mahindra Bank Limited	2,985			2,639		
	Kotak Mahindra Prime Limited	364					
	Kotak Mahindra Old Mutual Life Insurance Limited	666					
Transactions							
Investment in Equity Shares	Kotak Mahindra Bank Limited	1,339,500			10,500		
Premium Income							
	Kotak Mahindra Bank Limited	1,755					
	Kotak Mahindra Prime Limited	51					
	Kotak Investment Advisors Limited	99					
	Kotak Securities Limited	244					
	Kotak Mahindra Asset Management Company Limited	172					
	Kotak Mahindra Investment Limited	32					
	Key Management Personnel				36		
	Relative of Key Management Personnel				5		
Remuneration of Key Management Personnel	Mahesh Balasubramanian	12,709					
Interest Income	Kotak Mahindra Bank Limited	2,580					
Transfer of Employee Liability from Group Companies							
	Kotak Mahindra Bank Limited	10,755					
	Kotak Mahindra Old Mutual Life Insurance Limited	983					
Commission Paid							
	Kotak Mahindra Bank Limited	1,493					
	Kotak Mahindra Prime Limited	708					
Employee Insurance Premium	Kotak Mahindra Old Mutual Life Insurance Limited	30					
Purchase of Fixed Assets	Kotak Mahindra Bank Limited	4,712					
Reimbursement to Group Companies							
	Kotak Mahindra Bank Limited	14,917			2,614		
	Kotak Mahindra Old Mutual Life Insurance Limited	637					

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### Notes to Accounts

(Currency: In thousands of Indian Rupees unless otherwise stated)

#### 15. Employee Benefit Plans:

Defined Contribution Plan:

SL No	Particulars	Mar-16	Mar-15
1	Provident Fund	4,066	Nil
2	National Pension Scheme	354	Nil

#### Defined Benefit Plan:

##### Gratuity

The company has a defined gratuity plan payable to every employee on separation from the company. Disclosures as required under accounting standard AS-15 on Employee Benefits are given below:

Amount to be recognized in Balance Sheet:-

Particulars	2016	2015
<b>Amount to be Recognized in Balance Sheet</b>		
Present Value of Funded Obligations	Nil	Nil
Fair Value of Plan Assets	Nil	Nil
Present Value of Unfunded Obligations	3,121	Nil
Unrecognized Past Service Cost	Nil	Nil
Amount not Recognized as an Asset (limit in Para 59(b))	Nil	Nil
<b>Net Liability</b>	<b>3,121</b>	<b>Nil</b>
<b>Amounts in Balance Sheet</b>		
Liability	3,121	Nil
Assets	Nil	Nil
<b>Net Liability is bifurcated as follows:</b>		
Current	148	Nil
Non Current	2,974	Nil
<b>Net Liability</b>	<b>3,122</b>	<b>Nil</b>
<b>Expense To Be Recognized in the Statement of P&amp;L</b>		
Current Service Cost	472	Nil
Interest on Defined Benefit Obligation	Nil	Nil
Expected Return on Plan Assets	Nil	Nil
Net Actuarial Losses / (Gains) Recognized in Year	Nil	Nil
Past Service Cost	Nil	Nil
Losses / (Gains) on "Curtailements & Settlements"	Nil	Nil
Losses / (Gains) on "Acquisition / Divestiture"	Nil	Nil
Effect of the limit in Para 59(b)	Nil	Nil
<b>Total, Included in "Employee Benefit Expense"</b>	<b>472</b>	<b>Nil</b>
<b>Actual Return on Plan Assets</b>	<b>Nil</b>	<b>Nil</b>

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### Notes to Accounts

(Currency: In thousands of Indian Rupees unless otherwise stated)

Particulars	2016	2015
<b>Reconciliation of Benefit Obligations &amp; Plan Assets For the Period</b>		
<b>Change in Defined Benefit Obligation</b>		
<b>Opening Defined Benefit Obligation</b>	<b>Nil</b>	<b>Nil</b>
Current Service Cost	472	Nil
Interest Cost	Nil	Nil
Actuarial Losses / (Gain)	Nil	Nil
Past Service Cost	Nil	Nil
Actuarial Losses / (Gain) due to Curtailment	Nil	Nil
Liabilities Extinguished on Settlements	Nil	Nil
Liabilities Assumed on Acquisition / (Settled on Divestiture)		Nil
Exchange Difference on Foreign Plans	Nil	Nil
Benefits Paid	Nil	Nil
<b>Closing Defined Benefit Obligation</b>	<b>3,122</b>	<b>Nil</b>
<b>Change in Fair Value of Assets</b>		
<b>Opening Fair Value of Plan Assets</b>	<b>Nil</b>	<b>Nil</b>
Expected Return on Plan Assets	Nil	Nil
Actuarial Gain / (Losses)	Nil	Nil
Assets Distributed on Settlements	Nil	Nil
Contributions by Employer	Nil	Nil
Assets Acquired on Acquisition / (Distributed on Divestiture)		Nil
Exchange Difference on Foreign Plans	Nil	Nil
Benefits Paid	Nil	Nil
<b>Closing Fair Value of Plan Assets</b>	<b>Nil</b>	<b>Nil</b>
<b>Expected Employer's Contribution Next Year</b>	<b>Nil</b>	<b>148</b>

### Experience Adjustments:-

Particulars	2016	2015
Defined Benefit Obligation	3,122	Nil
Plan Assets	Nil	Nil
Surplus / (Deficit)	(3,122)	Nil
Exp. Adj. on Plan Liabilities	Nil	Nil
Exp. Adj. on Plan Assets	Nil	Nil

### Summary of Principal Actuarial Assumptions:-

Particulars	2016	2015
Discount Rate (p.a.)	7.95%	0.00%
Expected Rate of Return on Assets (p.a.)	0.00%	0.00%
Salary Escalation Rate (p.a.)	8.50%	0.00%

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### Notes to Accounts

(Currency: In thousands of Indian Rupees unless otherwise stated)

#### 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	2016
Net Liability	1,496

#### Financial Assumptions at the Valuation Date:-

Particulars	2016
Discount Rate (p.a.)	7.95%
Salary Escalation Rate (p.a.)	8.50%

#### 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:

Particulars	2016			2015		
	Motor	Health	Total	Motor	Health	Total
Claims Outstanding	1,989	12	2,001	Nil	Nil	Nil
Reserve for Unexpired Risk	31,646	779	32,426	Nil	Nil	Nil

#### 17. Earnings Per Share:

SL No	Particulars	2016	2015
1	Net Profit/(Loss) available to Equity Shareholders	(97,291)	Nil
2	Weighted Average Number of Equity Shares:-		Nil
	Number of Shares at the beginning of the year	10,50,000	Nil
	Shares issued during the year	13,39,50,000	Nil
	Number of Shares at the end of the year	13,50,00,000	Nil
	Weighted Average Number of Equity Shares outstanding during the year	8,21,71,721	Nil
3	Nominal Value of Equity Shares	Rs. 10	Nil
4	Basic Earnings Per Share	(1.18)	Nil
5	Diluted Earnings Per Share	(1.18)	Nil

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.

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### Notes to Accounts

(Currency: In thousands of Indian Rupees unless otherwise stated)

#### 18. Penalties Levied by Various Government Authorities During Financial Year 2015-16:

Sr No.	Particulars	Non Compliance / Violation	Penalty Awarded	Penalty Paid	Penalty Waived / Reduced
1	Insurance Regulatory and Development Authority	Nil	Nil	Nil	Nil
2	Service Tax Authorities -	Nil	Nil	Nil	Nil
3	Income Tax Authorities -	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate/Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies/ NCLT/CLB/Department of Corporate Affairs or any Authority under Companies Act, 2013/1956	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 Rs 12 thousand (Previous Year Nil) 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:

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given

#### 21. Indian Motor Third Party Declined Risk Insurance Pool:

IRDA vide its orders IRDA/NL/ORD/MPL/277/12/2011 dated December 23, 2011 and IRDA/NL/ORD/MPL/72/03/2012 dated March 22, 2012, had directed the formation of the Indian Motor Third Party Declined Risk Insurance Pool for standalone third party liability insurance for commercial vehicles (Liability only) (excluding Miscellaneous and special class of vehicles falling under erstwhile All India Motor Tariff) with effect from April 1, 2012.

The company had accounted for retrocession premium, claims and related expenses from declined pool based on audited clean cut statement for the period ended Dec 2015 received from pool administrator. The share of premium, claims and related expenses for the period from January 1 2016 to March 31 2016 are as per best estimate of management.

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### Notes to Accounts

(Currency: In thousands of Indian Rupees unless otherwise stated)

#### 22. Employee share option plans (ESOP) & Stock Appreciation rights (SARs): Employee share option plans (ESOP)

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 subsidiary 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 Rs Nil lacs (Previous Year Rs. Nil lacs) 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 Note 4A Employees Remuneration & Welfare Benefits.

#### Stock Appreciation rights (SARs)

During the year, the management had approved SARs to be granted to eligible employees as and when deemed fit. The SARs are to be settled in cash and will vest in the manner as provided in the scheme / grant letter to employees. The Company under its various plan/series has granted Nil SARs during FY2016.

The SARs are to be settled in cash and will vest in the manner as provided in the scheme / grant letters to such eligible employees. The contractual life (equivalent to the vesting period) of the SARs ranges from 1.40 year to 3.65 years.

#### Detail of activity under SARs plan is summarised below:

Particulars	No. of SARs	
	2016*	2015*
Outstanding at the beginning of the year	Nil	Nil
Granted during the year	Nil	Nil
Additions/Reduction due to transfer of employees	23,414	Nil
Exercised during the year	8,066	Nil
Expired during the year	Nil	Nil
Outstanding at the end of the year	15,348	Nil

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### Notes to Accounts

(Currency: In thousands of Indian Rupees unless otherwise stated)

\* Adjusted for issue of bonus shares – one share for every share allotted on 10th July, 2015. The effect of the bonus share has been given effect in computation for the previous periods

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

Particulars	2016	2015
Employee Compensation	3,016	Nil
Closing balance of liability for cash-settled options	6,198	Nil

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 Rs. 2,563 (Previous Year Nil) and the Loss after tax would have been higher by Rs.2,563 (Previous year Nil). Consequently the basic and diluted EPS would have been lower by Rs. (0.04) (Previous year Nil).

#### 23. Provision for Free Look period:

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

#### 24. Accounting Ratios are given in Annexure 1.

#### 25. Summary of Financial Statement is provide in Annexure 2.

#### 26. Statement showing Age-wise Analysis of the unclaimed amount:

Sr No.	Particulars	Total Amount	4-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 months
1	Claims settled but not paid to the policyholders/insured's due to any reasons except under litigation from the insured/ policyholders	-	-	-	-	-	-	-
2	Sum due to the insured/ policyholders on maturity or otherwise	-	-	-	-	-	-	-
3	Any excess collection of the premium/ tax or any other charges which is refundable to the policyholders 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	36	-	-	-	-	-	-
4	Cheques issued but not encashed by the policyholder/ insured	-	-	-	-	-	-	-

#### 27. 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.

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

### Notes to Accounts

(Currency: In thousands of Indian Rupees unless otherwise stated)

#### 28. Foreign Exchange

Expenditure in Foreign Currency (on cash basis) in current year: 386 (Previous Year: Nil)

#### 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	2016	2015
V.C Shah & Co	Statutory Auditors	Certification work	3.5	Nil

The company has started its operations on 17th December 2015, hence previous year numbers are not comparable.

#### As per our report of even date

##### For K.S.Aiyar & Co.

Chartered Accountants

ICAI FRN : 100186W

##### Raghuvir M. Aiyar

Partner

M. No :38128

Place: Mumbai

Date: April 29, 2016

##### For V.C.Shah & Co

Chartered Accountants

ICAI FRN : 109818W

##### V.C. Shah

Partner

M. No :10360

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

##### of Kotak Mahindra General Insurance Company Limited

Director

Director

##### Mahesh Balasubramanian

Chief Executive Officer

##### Yash Kotak

Chief Financial Officer

## ANALYTICAL RATIOS FOR THE YEAR ENDED 31ST MARCH 2016 (ANNEXURE - 1)

Particular	Total	Fire	Marine	Motor				Miscellaneous				Health Insurance	Trade Credit	Others	Miscellaneous Total
				OD	TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident				
Gross Direct Premium Growth Rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Gross Direct Premium to Net Worth ratio	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Growth rate of Net Worth	15872%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Retention Ratio	89%	NA	NA	89%	89%	89%	NA	NA	NA	NA	NA	95%	NA	NA	89%
Net Commission Ratio	6%	NA	NA	9%	0%	6%	NA	NA	NA	NA	NA	14%	NA	NA	6%
Expense of Management to Gross Direct Premium Ratio	434%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expense of Management to Net Premium Ratio	487%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Incurred Claims to Net Earned Premium	348%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Combined Ratio	834%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical Reserves to net premium ratio	1.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Underwriting balance ratio	-268	NA	NA	-256	-340	-278	NA	NA	NA	NA	NA	-108	NA	NA	-268
Operating Profit Ratio	-26550%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid Assets to liabilities ratio	3.58	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net earning ratio	-295%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Return on Net Worth Ratio	-8%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available Solvency Margin Ratio to Required Solvency Margin Ratio	2.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NPA Ratio															
Gross NPA Ratio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net NPA Ratio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

### Notes :

The company has started its operations on 17th December 2015, hence previous year's numbers are not comparable.

## SUMMARY OF FINANCIAL STATEMENTS (ANNEXURE -2)

(₹ in Lac)

No	Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
<b>OPERATING RESULTS</b>						
1	Gross Direct Premiums	370.89	-	-	-	-
2	Net Earned Premium #	6.05	-	-	-	-
3	Income from investments (net) @	16.62	-	-	-	-
4	Other income (Pl. specify)	0.57	-	-	-	-
5	Total income	23.24	-	-	-	-
6	Commissions (Net) (Including Brokerage	21.00	-	-	-	-
7	Operating Expenses	1,586.64	-	-	-	-
8	Net Incurred Claims	21.03	-	-	-	-
9	Change in Unexpired Risk Reserve	324.26	-	-	-	-
10	Operating Profit/loss	(1,605.44)	-	-	-	-
<b>NON-OPERATING RESULT</b>						
11	Total income under shareholders' account	632.53	-	-	-	-
12	Profit/ (loss) before tax	(972.91)	-	-	-	-
13	Provision for tax	-	-	-	-	-
14	Profit / (loss) after tax	(972.91)	-	-	-	-
<b>MISCELLANEOUS</b>						
15	Policy holders' Account:	Not applicable for General Insurance Co				
	Total funds					
	Total Investments					
	Yield on investments					
16	Shareholders' Account:	Not applicable for General Insurance Co				
	Total funds					
	Total Investments					
	Yield on investments					
17	Paid up equity capital	13,500	-	-	-	-
18	Net worth	12,500	-	-	-	-
19	Total assets	13,857	-	-	-	-
20	Yield on total investments	8.20%	-	-	-	-
21	Earnings per share (Rs.)	(1.18)	-	-	-	-
22	Book Value per share (Rs.)	15.21	-	-	-	-
23	Total Dividend	-	-	-	-	-
24	Dividend per share (Rs.)	-	-	-	-	-